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Volume LXXXVII

Number Five

## REVIEW OF REVIEWS

AND

## WORLD'S WORK

Edited by ALBERT SHAW

### The Progress of the World

Support the President Intelligently!, 7 . . . Congress Sweeps Aside the Lobbies, 7 . . . The Value of a Crisis, 8 . . . The Demand for a Unified Bank System, 9 . . . Cutting Costs in Spite of Minorities, 10 . . . We Must Restore Buying Power, 10 . . . Seeking Ways to Help the Farmer, 12 . . . Hard Times Drive Us Back to Fundamentals, 13 . . . Government Resumes Its War-time Aspects, 14 . . . Our Neighbors Across the Sea, 15 . . . Education Must Not Be Sacrificed, 15.

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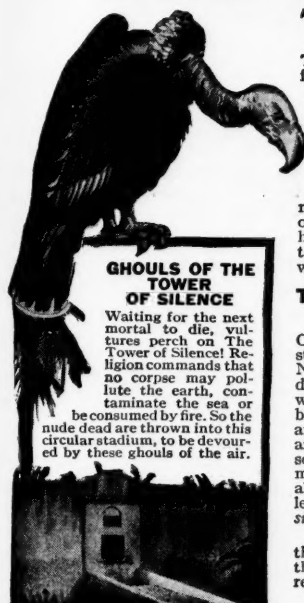
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## Recommended Reading

### War Debts

The A B C of War Debts, by Frank H. Simonds. Harpers, 66 pp. \$1.

MR. SIMONDS sets out to prove that war debts are bad debts with the same regard for logic he would use in demonstrating a theorem in geometry. So lucid is his demonstration that few readers will deny him the right to phrase his Q. E. D. in no uncertain words.

Seven major phases of the debt muddle are ably analyzed. Starting with an explanation of the ways in which they were incurred, and the wholly destructive uses to which they were put, there follows a chapter on the substantial reductions granted after the war. Then Mr. Simonds explains how this country closed all legitimate avenues of payment; and how we have never been paid a dollar that we did not first send to Europe as a post-war loan. He has scant faith in proposals to trade cancellation for European disarmament, or for trade preferences, or for anything else.

As to the choice between cancellation or default, granted that the choice is necessary, he favors an honest, statesmanlike cancellation. The debts are dead; let us admit it frankly. Is it fair that these loans, made in good faith, go unpaid? That, says he, is like asking, "Was the San Francisco earthquake fair?"

### Old Hickory

Andrew Jackson: The Border Captain, by Marquis James. Bobbs-Merrill, 461 pp. \$3.75.

HERE IS a life of Andrew Jackson that throws new light on one of the most interesting personalities in our history. It covers his career up to 1821, when he left his Florida command and returned to the beloved "Hermitage" at Nashville. The Presidency is not included.

We have become accustomed to think of "Old Hickory" as a great Democrat. This author believes that he would be better classed as a back-woods aristocrat. Not democracy, but honor and honesty were his predominant characteristics. With them there was a will to succeed so strong as to amount almost to an obsession.

Mr. James has done much research work on the question of Jackson's birthplace and gives the decision to South Carolina. The later migration to the west becomes a dramatic tale. Fighting against the Indians at Horseshoe Bend, against the French at New Orleans, and

against the Spanish in Florida receives able attention. His activities in state affairs and his Governorship of Florida are treated with equal competence and enthusiasm. These things—research, ability, and enthusiasm—have enabled the author to produce this authoritative and highly readable biography.

### Swinging Back

Once Upon a Time and Today, by Maud Nathan. Putnam, 327 pp. \$2.50.

LIKE BIOGRAPHY, autobiography is now swinging back from the objectivity of Henry Adams and the self-consciousness of von Bülow to the spontaneity and idealism of such books as Maud Nathan's "Once Upon a Time and Today."

A New Yorker of old and honored family, Mrs. Nathan has matched John Wesley in taking the whole world for her parish. She has had a flair for domesticity, yet for half a century has given sane and brilliant leadership to varied women's movements. Naturally drawn into the suffrage movement, Mrs. Nathan made herself invaluable the world over. In the long and at last successful struggle of the "new woman" with the old order, Mrs. Nathan—says Mrs. Carrie Chapman Catt—was "a forceful, dependable, always helpful battler for the right."

Here is an autobiography so informing, so colorful, so wide ranging, that the reader learns as he turns its pages what New York has been like since the Civil War, what dynamic forces have rocked it, and what its men and women have done for their country and the world, as well as for their city.

If out of many pages which tell the truth with vividness and clarity any may be chosen for specific mention, the twenty will emerge in which Mrs. Nathan gives her recollections of Theodore Roosevelt. She knew him many years, and her memories of him are significant because the two were not unlike in temperament, mentality, vigor, and the rare power to enlist support in getting things done.

Perhaps Mrs. Corinne Roosevelt Robinson, who read these pages before publication, was not altogether oblivious of this when she wrote: "It is almost the only article about my brother which I have not wanted to change in some respect."

—LYMAN P. POWELL

### Pro-Capitalism

Can Business Build A Great Age? by William Kix Miller. Macmillan, 320 pp. \$2.50.

AS A NATION we have been told that capitalism must of necessity crumble under its own weight, and that our present economic retchings are proof that the death agony is upon us. Here is a book written on the other side of the fence. Its author believes that neither socialism, Utopian planning, nor a new economics is necessary. He puts his faith in "bigger and better capitalism". To quote briefly:

"The trouble with the world is not the use of capitalism but its misuse. The trouble with this world is not *laissez faire* but too much interference with 'supply and demand'. The trouble with the world is not too little government but too much government. The trouble with the world is not too little planning but too much artificial control."

### Briefer Comment

• • WITH RUSSIAN recognition very much a question of the hour, "The New Russia" (John Day, \$2.50) is definitely timely. Under the editorship of Jerome Davis, thirteen economists and sociologists contribute independent chapters on every phase of Soviet life. Their collective opinion is that recognition of Russia would be a wise step for this country.

• • "MARIE ANTOINETTE" is a narrative of the life of France's tragic Queen. Stefan Zweig makes the story one of absorbing historical interest, sympathetically told. (Viking, \$3.50.)

• • PRESIDENT ROOSEVELT, in "The New Deal" (John Day, \$2.50), presents his political philosophy. Sections written immediately before the inauguration connect the excerpts from campaign speeches and previous articles which form the bulk of the book.

• • TO THOSE who are puzzled by international gold movements and the intricacies of foreign exchange, "Modern Foreign Exchange" (Macmillan, \$2.) will be welcome. In it, Franklin Escher clarifies the whole field of our financial intercourse with foreign countries.

• • IN EUROPE "the question of world war or peace will be decided," writes Sherwood Eddy in "The Challenge of Europe". For that reason, and because he shows how Europe has stood Depres-



sion better than our own young selves, this is a valuable study of Europe today. (Farrar & Rhinehart, \$2.50.)

• • HAMILTON BASSO has written an understanding biography of General Beauregard, the Creole soldier who ordered the firing on Fort Sumter. His career entitled him to as much fame as General Lee; yet even his own New Orleans has all but forgotten him. (Scribners, \$3.50.)

• • "THE AMERICAN Transportation Problem," by Harold G. Moulton and associates, is a later development of the work of the National Transportation Committee, of which Calvin Coolidge was chairman. It is an exhaustive study of this involved problem. (Brookings Institution, Washington, \$3.)

• • CHARLES FRANCIS THWING has looked back on a life rich in friends and written "Friends of Men" (Macmillan, \$3.). It throws new and interesting light on William Howard Taft, Walter Hines Page, Phillips Brooks and other leading personalities of two generations.

• • "AMERICA in the World War" is General James G. Harbord's concise account of this country's participation—at home and abroad—in the struggle. (Houghton Mifflin, \$2.)

• • EDWIN D. HARVEY, who has been a professor at Yale-in-China, goes a long way, in "The Mind of China," toward explaining to an increasingly interested occidental world the mental processes of this mysterious people. (Yale University Press, \$3.50.)

• • THE CONDITION of forest lands in each state is described in "Forest Bankruptcy in America" (Green Lamp League, Washington, \$2.). George P. Ahern's picture is not a pretty one, but the outlook for the future is promising.

• • "OUR STONE Pelted Planet," by H. H. Nininger, tells about the stream of matter that is constantly barraging us from outer space. The author explains the origin of meteors, their flight toward us, and how to recognize fragments that survive the trip. (Houghton Mifflin, \$3.)

• • "AGRICULTURAL Systems of Middle Europe" (Macmillan, \$5.) is a symposium edited by O. S. Morgan, Professor at the Columbia University School of Business. Twelve contributors describe agricultural conditions in their homelands.

• • "WOODROW WILSON," by John K. Winkler, is a lightly written, fast-moving biography and character analysis of that great man. He had "a very definite Messianic complex," and "gave his fellow-man everything but himself," according to the author. (Vanguard, \$3.50.)

• • WITHIN the covers of "Mike Fink," Walter Blair and Franklin J. Meine have focussed Mississippi legends of the era that lasted for fifty years after 1770. Mike Fink, hitherto obscure, apparently lived a life as colorful as Daniel Boone. (Henry Holt, \$3.)



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# REVIEW OF REVIEWS

AND

## WORLD'S WORK

Vol. LXXXVII, No. 5

MAY, 1933

### ◦ THE PROGRESS OF THE WORLD ◦

By ALBERT SHAW

#### Support the President Intelligently!

FRANKLIN D. ROOSEVELT is not the Democratic Party. He is the nation's chosen leader. As these pages reach our readers he will have been directing affairs at the center of our organized life for two months. When Mr. Hoover was inaugurated, we ventured in these pages to urge upon the country the need of giving him full moral support as our leader; and we called upon him to assume the tone of authority. We were not suggesting any need of change in the constitutional balance of power as between the executive and legislative branches of the government.

The people of the United States can get along without dictatorship, whether of the Mussolini kind or the Hitler brand. We do not have to convert our President into a benevolent despot, nor yet into a stern, unbending autocrat. We make him an efficient and vigorous ruler by giving him our support.

It is possible for us to decide quite definitely that since the country needs to be led at this time, and since nobody but the President is in position to lead, we will support our leader and not attack the parade from the side lines. This does not mean that we shall abdicate our own intelligence, and follow blindly. It does not mean that we shall rush along, shouting lustily that we are on the move with no idea where we are going.

Nothing like that has actually been happening. President Hoover was too frequently baffled by adverse majorities in both houses of Congress. The public mind was puzzled and confused. There was never any real public sentiment supporting the cabals and the mutineering in the House, nor did the country enjoy the absurd performances of individual self-showmen in the Senate. But the sweep that had put Mr. Hoover into office in 1928 had been caused by circumstances unrelated to the grave issues that were soon afterwards to confront us. The South was not so much pro-Hoover as it was anti-Smith. When economic troubles came to a head with the bursting of the prosperity boom in 1929, Mr. Hoover had been in office only half of his first year. The nature, extent and peril of the business crisis could not be foreseen. The country heard no voice that was wiser than that of the President, but Mr. Hoover himself was not omniscient in 1930.

There was growing distress, and all sorts of proposals were made to tide the country along. Most of the plans were aimed at symptoms. Individuals and groups were trying to shout each other down. Mr. Hoover was the only person in position to direct and control, and he was also best qualified. But, as a country, we were not sufficiently beaten down by our misfortunes to accept the leadership of anybody.

It was not until after the collapse of business and credit in Europe that we began in 1932 to realize that everything might get much worse for us before the situation could begin to clear up. Our two great party machines had not been shattered. They are so well safeguarded by the primary election laws of the forty-eight states that we are compelled to choose our leaders on lines of party competition. The country did not see plainly that Mr. Hoover had been blocked at every step by legislative situations in which neither party was strong enough to exercise definite responsibility. Congress could not lead; and Congress would not follow. Public opinion was affected unfortunately by the propaganda that always precedes presidential elections.

#### Congress Sweeps Aside the Lobbies

IF THE DEMOCRATS had nominated some other good man rather than Franklin Roosevelt, it is probable that they would have carried the election with the same emphatic majorities. The South had returned to the Democratic fold. The cause of prohibition repeal had made its way regardless of parties. It was time to put the country on a responsible political basis. The Republican party had declined in moral authority. Mr. Hoover was a great administrator and a world statesman; but he was not a typical American politician. It was he who carried the shop-worn old Republican party through the painful campaign that he had to wage against such odds in September and October of last year. That party had earned the discipline of defeat, for the good of the country and for its own survival.

The country was tired of deadlocks, futile compromises, cabals and selfish blocs. It was losing sympathy with impudent lobbies that had to be consulted, and that held sway over more than half of the members of Congress. Great numbers of new men had come



into both chambers, mostly of the successful party.

No leaders of either party remained who could stand up and defy the new President. Backing the man in the White House, there was at last an overwhelming public opinion. Plain citizens found courage to talk to politicians straight in the face. The lobbies lost their assurance. Congressmen discovered that something quite new was happening in their constituencies. They were getting piles of telegrams from men and women back home—the best citizens—telling them to follow the President or take the consequences.

Most Congressmen would rather behave well than otherwise. They know something about reduced public revenues and the need of balanced budgets. But unless they are strongly supported at home, they cannot fight the lobby influences that are set at work against them. A large majority of the members of the Seventy-second Congress did not dare to stand up against the veterans' lobby. They were allowing the Treasury to be looted, and they were bringing ruin upon the country. Thousands of names were fraudulently on the pension rolls, and hundreds of thousands of names on the lists were of men who had no just claim to public support, and who would not have received pensions in any other country. But they and their friends were so numerous that they could destroy almost any Congressman who was rash enough to stand with President Hoover against such abuses.

The painful results of protracted business depression were in shocking contrast with the persistent extravagance of Congress. Appropriation bills for three successive years—and in anticipation of still another fiscal year—were compelling the Treasury to increase the public debt by billions of dollars, in order to meet current expenses in times of peace. Nothing worse of this kind had ever happened anywhere.

But the Democratic platform had said that the budget must be balanced, and that the cost of the Federal Government must be reduced by 25 per cent. The Democrats had carried the day on this platform. A brilliant and courageous young Congressman, Lewis W. Douglas, who had stood by President Hoover in fighting for economy last year, was chosen by President Roosevelt to serve as Director of the Budget. With Cabinet appointments promptly confirmed, and with officials like Mr. Douglas and Mr. Morgenthau immediately set at work, great things were bound to happen.

For leadership to accomplish things on the great scale, there must be something more than submission or acquiescence on the part of those who are led, or those whose welfare is affected. There must be enthusiasm enough to permit the full sweep of unhindered movement to accomplish results, even as a clearing wind drives away fogs and ushers in a sunlit morning after a period of gloom and soggy weather.

To know how and when to follow the leader tests a democracy like ours. People of first-class brains and intelligence will not obstruct necessary action in times like these. The greater number of people—less capable of independent thought, but right-minded enough—are affected by mass psychology. Where the best Republicans as well as the best Democrats are ceasing to argue about this and that, and are willing to help the President give effect to a bold program of action, public opinion becomes irresistible. "Support the President" is the slogan that rings across the country. Congressmen are thrilled by the new interest in national affairs

that bids them keep step, support the Administration, and waive their official right to create deadlocks.

This clean-cut and determined mood that the country exhibits is rather disconcerting to individual Senators who have been accustomed to think that their speech-making was regarded as serving some useful public end. But now we find a large majority of Senators belonging to the President's own party. Regular Democrats hold chairmanships of leading Senate committees. Straight Republicans are working for national ends with straight Democrats. And so it happens that individuals in the Senate who always heretofore have talked against time and retarded the public business are wondering what has become of their supposed importance. In the sweep of events these individual Senators seem to have lost the place they were once able to secure on the front pages.

### The Value of a Crisis

IN ORDINARY TIMES most people are private-minded rather than public-minded. This is wholly in accord with our type of individual and social life. Pioneer communities are hardly aware of the existence over them of governmental authority. Their fate is in their own hands. They are more concerned about rainfall and sunshine and the change of seasons than about issues of government. Politics with them is nothing but an occasional outdoor game of trifling importance as compared with incidents of private life.

Under such circumstances there is resentment against governmental interference with liberty of private action, and passive or active resistance when any considerable domain of vested private interest is threatened with invasion by public authority. Thus, speaking historically over long periods, agriculture was a matter for farmers to deal with. They were so many millions of separate individuals, absolutely ruling everything within the boundary lines of their separate principalities.

Bankers, also, from the very beginnings of our business life have regarded themselves as engaged in enterprises essentially private. They have disliked public regulation, as unjust and unwarranted. Similar statements could be made about various other kinds of activity, in which individual Americans have always felt that they had a right to do as they pleased with their own affairs.

It is only when great emergencies arise, in a nation of free and equal citizens like ours, that the assertion of private interests must yield before the necessity for sweeping control on the part of government. Thus, in the dangerous crisis of war, all private rights of person and property become subordinate.

An emergency existed when President Roosevelt came into office on March 4 that was more universal in its paralyzing effects upon private activities than any other that could be remembered. Emergencies arise when floods sweep over inhabited valleys, or when earthquakes, cyclonic storms, and great conflagrations occur. But at worst, they affect localities. Our declaration of war in 1917 was the beginning of profound national experiences. Yet it did not impress the country with any sense of immediate and general disaster.

When President Roosevelt came into office, however, a banking panic had just swept the land from one ocean to the other. This, indeed, was an emergency. With banks closed everywhere, business was at a standstill.



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**SECRETARIES TO THE PRESIDENT.** At the left is Col. Louis McHenry Howe, a close adviser to Mr. Roosevelt for the last twenty-two years. Next is Stephen T. Early, former newspaper man, whose friendship started during the Vice-Presidential campaign of 1920. Marvin H. McIntyre, at the right, who first served under Mr. Roosevelt in his Navy Department days, also has a newspaper background.

Here was a case where private interests were overwhelmed, and where the hand of government alone could save the situation.

Doubtless President Roosevelt would have been able to accomplish some useful things, even if all our private interests had not been so deeply involved and imperiled by the hoarding of money and the closing of banks. But, let us not lose our sense of proportion. It is easy to allow things near at hand to impede the vision so that perspective is lost. We make no excuses, therefore, for reminding our readers that the tremendous momentum with which President Roosevelt dominated Congress and led the country during the month of March was due to that extreme emergency. Someone had to speak with authority. There was no time for Babel-tongued oratory. Theorists were pushed aside. No one could command the situation but the President himself, and there was no one who ventured to dispute his authority.

Did we say something of this kind in our editorial comments last month? It would be passing strange if we could have failed to discover and interpret the one supreme feature of the news. But for that crisis, the Seventy-third Congress would not have been assembled in extra session until sometime in April. The crisis necessitated the assembly of Congress in the opening days of March, less than a week after the inauguration of Mr. Roosevelt.

The President was given dictatorial power over the gold supply. Hundreds of millions of dollars in newly printed currency were distributed to the Federal Reserve Banks for the support of their member banks. Banking throughout the United States ceased to be chiefly a private form of business. A few years ago there had been thirty thousand independent banks. Widespread failure, now in one state and now in another, had reduced this total to about twenty thousand.

### The Demand For a Unified Bank System

THE SITUATION of necessity put the government behind the banking business. First by hundreds, and then by thousands, the banks began to function again. But this

was wholly subject to the authority of the President of the United States. No arbitrary power was being exercised against bankers, however, for they too, were being rescued, along with everybody else.

We are not attempting in these editorial allusions to discuss the banking situation technically. There will be ample opportunity to recount in detail the facts of our recent banking collapse, and of the gradual resumption of banking functions. We are merely pointing to the fact that, in great emergencies, *all of us* through government must control *some of us*.

The function of banking, like that of money, is so vital to everyone that we must now insist upon the creation of a safe, unified American system. We have forty-eight systems of state banks with some local varieties. Also, we have federal banks comprising several different kinds.

Even now the resistance to any comprehensive reform of our banking system will be formidable, but it must be overcome. President Roosevelt led us out of the acute phases of the banking panic by masterly processes that gained the nation's confidence.

Ever since Andrew Jackson took the government deposits away from the old Bank of the United States, the long-suffering American people have been subjected to one ruinous banking experience after another. For a good while state banks issued their own paper money. Some of these notes circulated at par, but most of them were constantly fluctuating in value, and many of them became worthless.

In the Civil War period the national bank system was created under the leadership of Mr. Chase, Secre-



tary of the Treasury, as supported by President Lincoln. The state currencies were then forced out of existence by the simple process of levying a 10 per cent. federal tax upon them. The national banks bought government bonds, deposited them at Washington as security, and obtained a corresponding amount of paper money which they circulated in their own names.

With all its merits, this system lacked flexibility; and the business of the country quite outgrew it. We ventured upon a large new experiment in our banking methods when during the Wilson Administration we created the Federal Reserve System. As against their gold and their general assets, the Federal Reserve Banks were expected to give the country an added currency that would expand or contract with the needs of business. Recent changes in the laws have enabled the Reserve Banks to supply currency in increased amounts to strengthen the position of solvent banks everywhere.

It seems to have been the common opinion that recent steps to meet the banking crisis would result in bringing deposits so extensively to the support of banks having federal connections that the state systems would be correspondingly weakened. Things have not happened in just that way, but it is not to be expected that we can arrive at once upon a basis of finality.

A valued friend of the editor who has had long banking experience makes the suggestion that we might proceed to levy a tax on state bank checks in interstate exchange that would have an effect somewhat analogous to the taxing of state currencies under Lincoln.

One of the most highly experienced officers of the Federal Reserve System makes the following comment to the editor in a private letter:

"Ever since the Reserve System was started, those responsible for its operation and others who have been at all close to it have believed that unless we ended up with a unified banking system in this country we could not succeed. While times were good and bank failures were few, it seemed impossible to get the message across. What has happened in the last two years has changed public opinion very much; and even those who believe strongly (as I do) in state rights and state autonomy see that the idea of competition between state banks and federal banks is bad because it makes for weak banks.

"If the Federal Government is going to stand behind the banking system as a whole, it must have more complete control. If I correctly understand the policy of the President and the Secretary of the Treasury, the passage of the bill to give state banks an opportunity to borrow from the Federal Reserve System was not a scheme to make the state banking system more permanent, but simply a scheme to give time in which to work out a solution."

### Cutting Costs In Spite of Minorities

THE BANKING CRISIS was due to states of mind. When people take their money out of banks to hide it somewhere it is because they are frightened and have lost confidence both in business and in government. It was President Roosevelt's first task to change this prevalent fear and bring people back to normal and hopeful relations with one another. The gratitude of the country made all the people eager to help President Roosevelt, because he had helped them in a bad situation.

It was this resistless demand on the part of good citi-

zens that the President's leadership should not be obstructed, that made the passage of the economy measures possible. Mr. Walter Lippmann, looking back over the record of March at Washington, makes the following observations that relate to events of historic importance: "What Mr. Roosevelt has done in the past month is to conquer three of the strongest forces which had been paralyzing the government. He overcame the veterans' lobby, the bureaucratic lobby, and the dry lobby. He proved that these organized minorities could not prevent retrenchments, or block one of the great sources of revenue. As his program is unfolded we shall doubtless see innumerable vested interests (which had become sovereign over portions of the federal revenue) swept aside. When he comes to his public works program we may expect if he proceeds along his present line to see the whole principle of the pork barrel as drastically overturned as that of the veterans' legislation."

Mr. Lippmann concludes that we ought to support the President's program in its roundness and its entirety until he has had full opportunity to develop it and try it out. He will do his best, and he is aware that some things may prove mistaken even though given a chance to succeed. We agree with Mr. Lippmann that the President must be strongly supported, although every capable citizen should be using his intelligence at the same time.

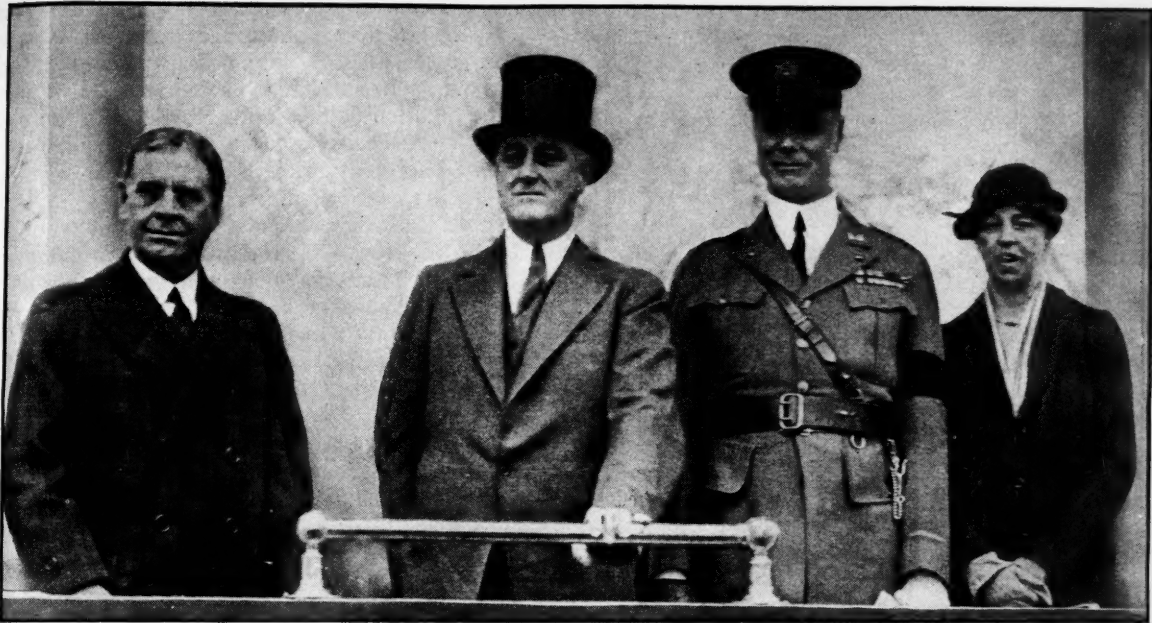
Already Mr. Roosevelt has surprised even the most credulous by cutting the veterans' payments by an aggregate of perhaps \$470,000,000. He has cut federal salaries another \$100,000,000, and on April 5th announcement was made that \$300,000,000 more must be saved from the appropriations already made for the coming fiscal year. There will have to be some more taxes, but these might take the form of simple popular levies on such articles as coffee and tea, and perhaps sugar. Possibly the officers of the American Federation of Labor may think it well to abandon the idea that they can impose a veto upon taxes (whether called sales taxes or something else) that are no different in effect from those already imposed upon gasoline, upon tobacco, and upon beer under the new legislation.

### We Must Restore Buying Power

WE HAVE STILL to lift the country out of its depths of depression by creating in one way or another an ability on the part of the people to buy goods. This means that we must promote a resumption of employment in our stagnant industries. It will cost huge sums in the form of government credit to promote public works and to stimulate activity in general business. We must give the President his opportunity to try whatever plans seem to him best. A close observer of large experience in affairs has set down on paper at our request the principles that he believes must be observed in the forming of policies to promote the restoration of purchasing power. These views, as contributed by another pen to this series of editorial paragraphs, are as follows:

"One should not deprecate the sincerity, the zeal, or the wisdom of the President in his efforts to lift the country out of the bog. We do not. But there are thoughts which must be kept clearly in view at each step of this important task. Our chief trouble lies in the loss of the purchasing power of the masses of our people. Whether that loss came from expenditures for automobiles, radios, inflated stocks or spurious bonds,





PRESIDENT ROOSEVELT, as Commander-in-Chief of the armed forces of his country, reviewing the annual Army Day parade in Washington in April. On the left is Secretary of War George H. Dern, and on the right General J. A. Delafield, next to Mrs. Roosevelt. Even in these stirring times formal affairs of this kind cannot be neglected by the President.

is not now so important as the fact that power to purchase no longer exists.

"The ultimate end should be to restore that power. Manifestly, it cannot be restored by levying more taxes. Taxation most certainly depletes the purchasing power, in proportion as it discourages industries in giving employment, acquiring materials and producing needed commodities. Neither can it be restored by increasing the cost of the necessities of life to those who have not the power to buy.

"Economy in government is an undoubted assistance if thereby taxes are reduced and industry is encouraged to produce. It is usually doubtful economy to 'close the spigot and open the bung'. It surely is dubious, if it does not offer encouragement to employ the idle. One must consider that government employment of even a small percentage of the unemployed, at a merely subsisting wage, is an aid to that limited number. But it does not seem a long step towards that general restoration of the purchasing power without which we must continue in the bog. As we take each step towards employment, production and trade, it is important that we should avoid, in another step, a backward movement.

"If a bounty, dole, or a subsidy could be so converted as to relax the chains that bind industry, it would seem a more direct means of attaining the end which is indispensable.

"There is no lack of production on the farms. There is little opportunity for employment of the idle upon the farms. The mills, the factories and the mines are not employing and not producing. These industries need the stimulant. Their activities will insure the employment of all, and will return to all the purchasing power and the ability to pay better prices."

The concluding sentences of the paragraphs just quoted form a statement of sound economic principles. But the writer of those sentences would agree that it is of importance just now, regardless of economic ortho-

doxy, to lift people's drooping spirits, and to stimulate their imaginations. We need to bring things into the situation that divert attention and make people hopeful enough to feel some awakened pride in their personal appearance. A balking horse stops in the road not because his temper is stubborn, but because he is afraid something will hurt him if he moves. You tickle his ear to change his thoughts, and his sudden curiosity makes him forget his dreads and terrors and he trots down the pike quite contentedly. A current of fresh air brought into a badly ventilated room sometimes turns a bad speech into a good one, and transforms an audience. A stream of water, fresh and clear, suddenly poured into a stagnant and malodorous pond can change an unpleasant environment in short order.

Thus in our national and local life a new sense of movement is needed to arouse fresh hope. Cheerfulness is not merely an agreeable attitude of mind, but it contributes to efficiency, helps people to discover the path of escape from their troubles, and may therefore be regarded as an asset of economic value. If it is good for the individual, it is a hundred million times as good for the nation.

President Roosevelt by the energy with which he proposes forest camps and out-door activities conspires happily with the May-day mood—an instinct of spring-time that affects more people than those who are quite conscious of it. Our President is playing melodiously upon that "harp of a thousand strings" that we call "the national mind." After almost four years of the misery and wreckage of the depression that culminated in the closing down of all our banks two months ago, it is nothing short of a marvelous achievement for a leader to wave his wand and change the public mood from one of extreme discouragement to one of genuine hopefulness. It is a great thing for a leader to overcome those suspicions and those fears that had paralyzed the nerves which control movement, and to restore the confidence necessary for new activity.



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RUTH BRYAN OWEN, who has been appointed Minister to Denmark—the first woman to be honored in this way. She is a daughter of William Jennings Bryan.

### Seeking New Ways to Help The Farmer

FROM THE STANDPOINT of purchasing power, it is true that we do not need increased farm production at this moment, though we shall undoubtedly need it in future, when consuming markets become normal. But for the necessity of obtaining something with which to pay debts, farmers would not now be producing nearly so much. Our population has grown probably by four or five millions since the depression began. An immense movement of people, from congested unemployment in cities, back to farms and country neighborhoods, simply means that more farm supplies will be consumed in the country. And this is as it ought to be.

Our rural people will soon be doing fairly well if they can escape needless burdens of taxation, and if they can get their present indebtedness placed upon a long-time basis by the government, at a low rate of interest. The example of governmental economy at Washington must be followed all the way down the line.

New York is one of the states that has been wrestling with the budget problems of a typical commonwealth, under the lead of an able governor who sees things as they are. Republicans in the legislature have supported the Democratic governor, Mr. Lehman, in cutting down expenditures while finding ways to increase revenues and wipe out the treasury deficit. On April 8, a 1 per cent sales tax was adopted at Albany, food being the only commodity excepted. A wholly new tax of 1 per cent. was levied upon gross incomes, in addition to increases in the rates, and a lowering of exemptions, of the state income tax that has been in effect since January, 1919. Regardless of exemptions, this additional tax of 1 per cent. is levied upon everyone earning \$500 or more in 1933.

We shall be able next month to present a summary of steps taken in the different states to reduce the cost of government and to balance budgets. It will be better

for everybody, so long as we levy income taxes, to make some small, direct contribution. Our exemptions have been far greater than those in other countries. Neither will it hurt anyone to have governments derive income from the addition of many other articles to those that already pay what is in effect a "sales tax," such as gasoline, tobacco in various forms, and the new taxes that are being levied upon beer and wine.

When farmers learn to smash the court-house rings, and to throw out of office the township and village officials who draw salaries, they will have achieved for themselves an emancipation more important to them in the long run than anything the federal government has been undertaking for their benefit. There is nothing difficult or mysterious about any of the functions of local government. These functions could all be distributed among the Women's Clubs, the Boy and Girl Scouts, the local coöperative groups of farmers, the Chamber of Commerce in the county-seat, and the school organization. All the work of local government could be done with no appreciable burden to the taxpayers. When this is clearly enough seen, and when energetic groups try the experiment in a few counties, the movement will cross the country like wildfire.

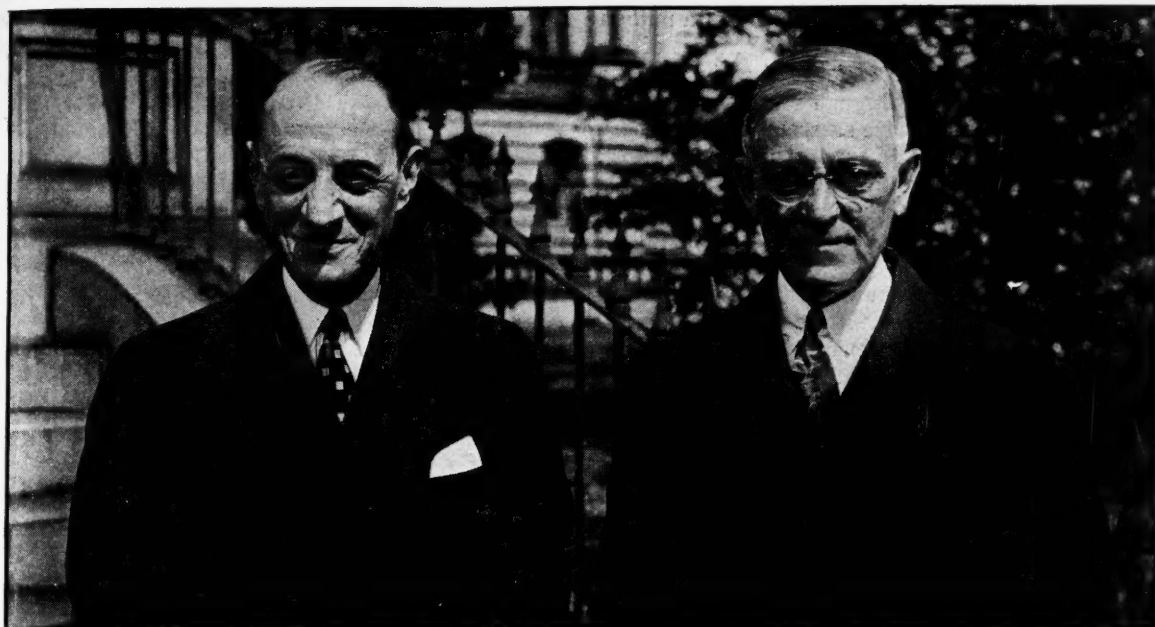
Apart from burdens of taxation, the greatest thing that can be done for agriculture is to help it carry the indebtedness that survives from times when price values, both of land and of products, were from three times to ten times as high as they are now.

We have now accepted this farm debt situation as a national problem. So let us proceed to deal with it, and stop arguing about it. All the way from the Irish Sea to the confines of Asia, European governments are handling farm credits. It is true that a different history lies behind European agriculture. But the practical policy is the important thing. We began by having Uncle Sam give away millions of farms. Upon these homesteaded lands a great rural civilization was created.

Perhaps our farmers went ahead too fast, but their motives were good. Loans were fairly forced upon them, with which to commercialize their activity. This was especially true when, during the war period, government urgency compelled them to produce wheat, corn, cotton, dairy products, beef, pork and other commodities to meet the demands of the hungry and necessitous nations that were begging us to feed them in order that they might employ all their resources in deadly combat.

Those foreign markets have ceased to be available for us. Our farmers have been struggling to get themselves readjusted upon a normal basis. Their predicament is the sequel of war policies at Washington. The least that Washington can now do for them is (1) to liquidate their present indebtedness, and (2) absorb into one great agency the Federal Land Banks, Joint-Stock Land Banks and various other public and private establishments that lend money to farmers.

The farmer should be able to go straight to the local branch of the national farm credit bank, have his affairs thoroughly investigated, and be given a chance to pay off his debts at a low rate of interest, with a long period of time for instalment reductions. In Europe, until recently, except in France and Baltic countries, lands were generally held in large estates by hereditary aristocrats and farmers were tenants. As a rule today, the



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JESSE I. STRAUS, and ROBERT W. BINGHAM, on the right, recently appointed Ambassadors to France and Great Britain, respectively. Mr. Straus, well known as a business man and philanthropist, has been president of R. H. Macy and Co., in New York City. Mr. Bingham has been publisher of the Louisville, Kentucky, newspapers, the Courier-Journal and the Times.

tenants have become owners, the government having paid off the landlords with bonds, while the small farmers in turn are paying interest money and small yearly payments on the principal. By some such plan American farmers can escape foreclosure and can gradually get out of debt. Mr. Roosevelt's measures are thus comprehensive.

Besides provision of a plan to liquidate farm mortgages, the President's agricultural program has the courage to enter upon bold, untested ground in an effort to lift the prices of certain specified farm products to a level that will at least meet the cost of production. Unusual powers are conferred upon our trustworthy young Secretary of Agriculture. He will exercise them with an intense desire to make them serve the people in a large sense. We have some fundamental conditions upon which our civilization rests. The whole face of the country is a net-work of farms. Thirty or forty million people live under rural conditions.

Secretary Wallace is not a shallow enthusiast. He is not a fanatic laboring under obsessions. He has no class-consciousness that looks with dislike or suspicion upon populations living in commercial and manufacturing centers. He is a man of high training and broad views. The President will back him, and the rest of us must give his experiments a fair chance.

We have preferred to have Mr. Murphy of Minneapolis, rather than any other man, interpret the new agricultural measures for the understanding of our readers. Mr. Murphy has been at pains to do this. His article is hereby urged upon the attention of all those who believe, with us, that desperate conditions require the courage to try remedies that are new in principle as well as in method. Senators who disapprove of the measures as presented by Secretary Wallace, either from personal conviction or because of pressure brought by interested minorities, would do well to suppress their feelings and let the Administration try its hand.

### Hard Times Drive Us Back to Fundamentals

MEANWHILE, as springtime offers its invitations, millions of people feel like joining in the movement back to the open country. Donald Wilhelm tells our readers, with many convincing details, how Americans at the rate of several thousand every day—and in increasing throngs—are moving out of the cities into the country. This does not so much mean added surplus farm products to glut the markets, as it means greatly increased consumption of those farm products in the country itself. Once relieved of the necessity of selling everything to pay taxes and interest on mortgages, our rural people will consume at least twenty-five per cent more of their dairy products, eggs and poultry, truck crops, fruit and berries in their farm homes, and their immediate communities.

Selling things for money, in order to buy in turn the things that one needs, is not a baffling affair in prosperous times. But in times of depression nobody will buy your extra clock, although someone who actually needs the clock might like to exchange it for an extra chair, or for piano lessons. Miss Marlise Johnston contributes to this number a strikingly interesting and suggestive summary of a movement that has swept the country with a much more valuable appeal than the jigsaw puzzle craze. Certainly this resort to bartering may well provoke ironical comment on the part of those who believe that we are the victims of a money standard that, in such times as these, makes it impossible to pay debts or to use legal money as a medium of exchange. At least this resort to barter is a good sign as showing that the American people will do business somehow, even if they cannot afford South African diamonds, Chinese jade, or real American legal money.

It will be time next month to give an account of the location of President Roosevelt's reforestation camps, and of the methods that have been adopted to carry out



the plan of bringing not less than a quarter of a million men at once into these centers of what for most of the workers will be a wholly novel form of activity. The country has been preparing through several decades for just such a movement. We have several forestry schools, notably one at Yale, and one supported by New York State at Syracuse. We have a National Forest Service manned by experts. A number of states have conservation departments, and are engaged on a limited scale in reforesting areas not suited for agriculture.

In his acceptance speech at Chicago, Mr. Roosevelt said that one million men could be immediately employed in a reforestation movement. We are so greatly pleased with the President's enthusiasm for restoring our forests that we shall not revert to our campaign criticism of that particular statement about the million men. Ordinarily, the states ought to acquire their denuded mountain slopes, hillsides and cut-over areas. Each state should make a thorough survey of its lands (as several states have already done) in order to lay out a systematic plan of gradual reforestation. In the nature of the case, such policies belong in the category of those deliberate long-time undertakings that are less adapted to the requirements of emergency unemployment than are a number of other policies that might be adopted for that purpose.

But no one should be so opinionated at the present time as to find fault with Mr. Roosevelt's forestry program. It will not be extremely expensive. It will bring health and an added interest in life to scores of thousands of men. It will start reforestation on so large a scale in this country as to constitute a civic achievement of the first magnitude.

A hundred years hence the American people will rejoice in the forests resulting from this initiative, and will give Franklin D. Roosevelt much praise. Mr. Roosevelt himself would wish to have that praise well distributed among hundreds of devoted men and women—including many experts—who have been preaching the gospel of reforestation for the United States through many long years, regardless of the disdain of politicians and the dull indifference of the public.

### Government Resumes Its War-time Aspects

THERE IS A SAYING that old-fashioned teachers were fond of quoting: "The greater includes the less". In ordinary times the farmer, the banker, the manufacturer, the coal operator runs his own affairs. But we have come in to a new situation—one that is extra-ordinary. During the war period, the government ran everything with a high hand. There was a War Industries Board that fixed the prices of commodities. Agriculture was, in effect, under Hoover's Food Administration. The railroad system was taken over completely, and operated by the government. But soon after the war was said to be ended, government abandoned agriculture and allowed it to plunge downwards to a condition in some ways as bad as that of the shell-torn areas of France.

The whole world has been called upon to contribute in one way or another to the repair of war damages on the Western Front. But the actual restoration of that European zone is a slight affair in monetary values when compared with the losses of American agriculture as a result of post-war deflation.

The government turned the railroads back to their owners, upon terms and under conditions from which

these great properties have never been able to recover. Industries of all kinds, overstimulated by world demands, were obliged to employ extra workers at high wages. Thus the farms and villages sent several million young men and women to meet labor demands at the centers of industry. But markets failed; and the workers are out of their jobs.

Somebody arises now to say that President Roosevelt's program, in this part or that part, is glaringly unconstitutional. But, after all, the Constitution was made for the country. In its application to affairs it is conveniently elastic. The general fact is that the war is not yet ended, in the sense of economic readjustment. This means that our government, which assumed universal control during the war, abandoned us all too soon, and without wise planning. So the Government has to resume some of its war-time aspects of unusual authority over our affairs. It must have its hand upon banks, agriculture, transportation, and industry. "The greater includes the less." If the Government is to reconstruct, let us give it a chance to do its work.

It is true that there is in the Constitution no peacetime grant of authority to the Congress of the United States to say that factories must limit the working day to six hours. The Supreme Court held unconstitutional a law regulating child labor through the avenue of interstate commerce. But if Congress chooses to exclude from interstate commerce all articles of manufacture produced in factories that refuse to observe the six-hour rule, the courts might, as an emergency measure, sustain such a law. Mills and shops could doubtless arrange for twelve-hour operation, employing two shifts. Wages would have to be on the hourly basis.

It is, of course, absurd to think that employers can be compelled to pay wages that their businesses will not sustain. They can always escape such tyranny by going bankrupt, or shutting shop. Wages will improve only as prosperity increases the demand for workers. The short factory day will give all workers who have character and intelligence an opportunity to do many useful things for themselves in their free hours. Short hours should not mean an increase of idleness. Every boy in the United States should learn how to make his living in twenty different ways. Also, every boy should learn how to be his own employer in time of need, even if he did nothing but go about mending umbrellas. There is good vacant land enough to give every family in the United States a chance to make a garden, or even to occupy a farm.

So we should not be afraid of government initiative just now, if it demands the shorter factory day. Many of us will continue in our professions or callings, to work through long days, now and then. The new rules may be arbitrary; but they are not meant to be oppressive, and industry can accept them in good faith as a part of the emergency program meant to diminish the number of those totally unemployed.

England met the situation (under social conditions different from ours) by giving relief to the continuously unemployed in the form of cash payments called the "dole." The condition of post-war unemployment in Great Britain has lasted now for fifteen years. Our conditions are acute and serious, but they have not been protracted; and unemployment is not as yet a chronic trouble. We should have adjusted ourselves easily, if we had not been driven to take a position in world markets which afterwards we could no longer occupy.

## Our Neighbors Across The Sea

PRESIDENT ROOSEVELT's assumption of leadership in our domestic affairs has not failed to make its due impression abroad. It seems almost impossible for Englishmen even to remember the tone toward the United States that the British Chancellor of the Exchequer, Neville Chamberlain, was assuming only five months ago. As for our friends in France who were so excessively disagreeable, in their best as well as their worst newspapers, and also in the speeches of their parliamentary leaders, they have changed their tune. The change is so complete that it seems almost rude for us to remind one another of the insults that accompanied their refusal to pay the instalment of interest on their debt to Uncle Sam last December, when they had the money in hand actually appropriated for that very purpose.

Early in April, the French Chamber of Deputies voted a large sum of money to carry out a program of propaganda in the United States, in order to win American favor and to break down what is supposed in France to be an "anti-French campaign". We have always been exceedingly fond of France in the United States. We are able to discriminate between good French people and cheap French politicians, not to mention certain French newspapers. These good French people are not responsible for the kind of propaganda that has been carried on here, for several years, with a view to unloading French obligations upon American tax-payers.

Too many Americans have been the unworthy agents of this propaganda. As regards men of science and of noble achievement, there may be at times a reason for conferring European decorations upon American citizens. Such honors should be public in the full sense, and should have our hearty appreciation. But far too many decorations have been scattered in this country for favors received or for favors expected. These remarks might be elaborated; but we are intending to say nothing unkind or unfriendly. We Americans are enthusiastic in our liking for France itself. We also like present-day Frenchmen when they behave themselves toward the United States with good manners, and with acceptance of plain facts.

Nobody could be more welcome than M. Herriot and Mr. MacDonald, as they come from France and England to confer with President Roosevelt about international trade, and about our common difficulties in the midst of this time of depression. It is particularly agreeable to us to learn that President Roosevelt has sought to begin negotiations by taking up the problems that relate to Canada and the United States, as neighbors having so much in common. Our trade relations in the Western Hemisphere are more important to us in the long run than those with Europe.

Mr. Simonds this month writes for our readers about the emergence of the Hitler Dictatorship, and its effect upon states of mind and militaristic tendencies throughout Europe. It will be hard for Mr. Roosevelt to bring these distracted countries to any kind of agreement upon better economic arrangements. It will be still more difficult for him, with the assistance of Secretary Hull and Mr. Norman Davis, to interest them in any plan for disarmament. All good Americans will join in hoping that he may have some success. They will not be impressed by the bumptiousness of the Hollywood idea of a President who can "tell the world," as caricatured in a current motion picture called "Gabriel Over

the White House". Mr. Roosevelt will be genuinely polite; and it will not be his fault if his negotiations should prove disappointing.

Close contact with the League of Nations and with Japan as well, enables Dr. Lindsay to write for us with authority and understanding about Japan's notice of withdrawal. He sympathizes with Japan's aims in Manchuria, but does not condone her use of force in the attempt to carry them out.

## Education Must Not Be Sacrificed

THERE ARE GREAT interests at the base of our civilization which we must protect. We have a democracy, and we have built it upon the theory of universal education.

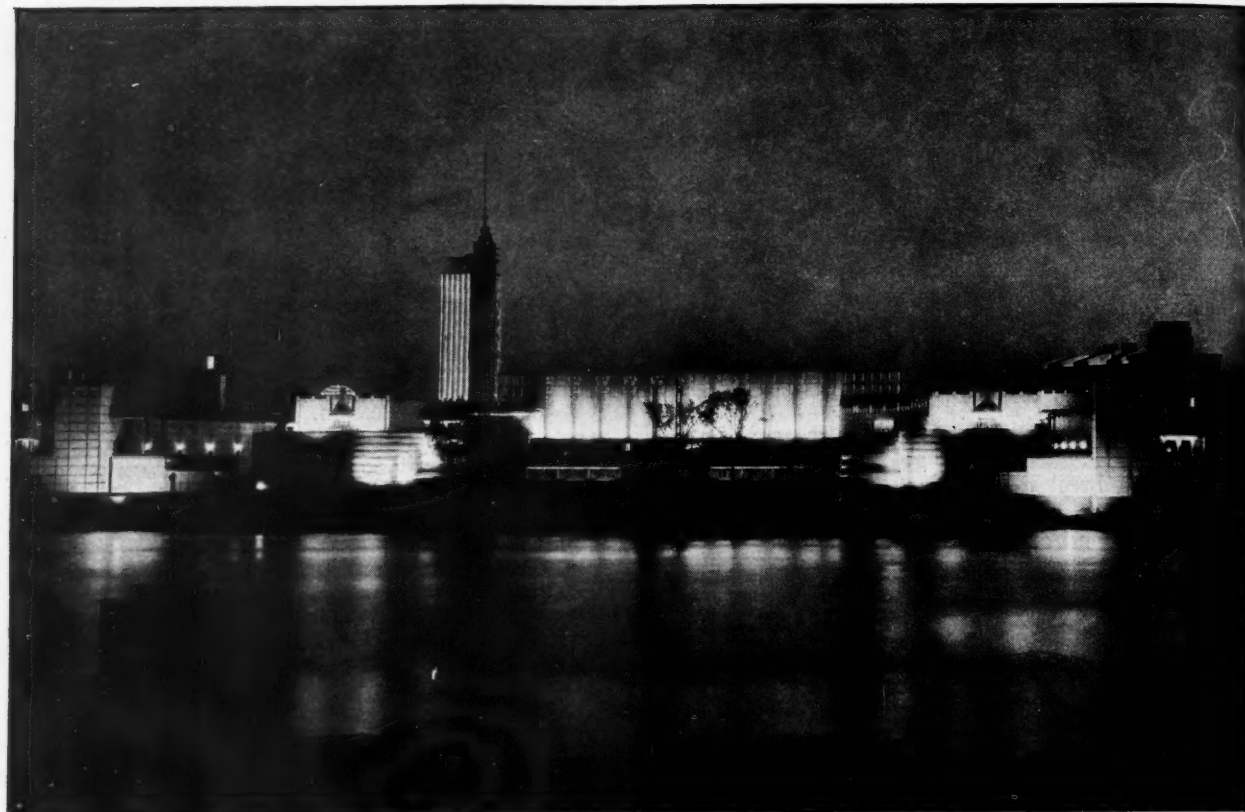
Our schools constitute a system so serviceable that in hard times they must be relied upon to help bridge us over the gap of depression. Where we cannot find the money to run our schools on the budgets of two or three years ago, we must do our best to run them somehow. We must rely upon our educators to make the content of what they call "education" (and what we prefer to call "school instruction") so useful in practical ways, and so inspiring as regards personal living and social duty, that everyone will say that our schools represent true economy, and must be maintained as a sacred trust. Education, family life, public health, the religion of humanity and social service—these are things that Americans can and will sustain. We may stop trying so hard to make money; but we should try harder to find out how we ought to live.

It is a great mistake to imagine that what we call higher education is a sort of luxury that can be dispensed with, so far as its functions are a matter of public cost. At our request Dr. John J. Tigert, formerly Commissioner of Education at Washington and now President of the University of Florida, has contributed some timely remarks to the present number upon the services that our state universities and agricultural colleges are rendering to the people of every commonwealth, from one coast to the other. Some of our legislatures have been going much too far in cutting down their accustomed appropriations for the support of their higher institutions. The teaching profession as a rule is public-spirited and self-sacrificing. It gives to the community ten times as much as it receives. The higher institutions are expressions of the state itself, in its maintenance of our complex modern civilization.

Professor Edwin O. Grover of Rollins College contributes a discussion of the cost of education in our endowed colleges that should attract wide attention. The problem of these institutions, as respects financial support, is distinct from that of state-supported establishments. Rollins College will ask parents who can afford it to pay the full cost of the student's tuition and other privileges, as ascertained by a simple problem in division. A large proportion of desirable students will not be able to pay more than the tuition fees that have been customary hitherto. From endowments and from scholarships, such students can be provided for, without any feeling that they are accepting charity.

Our higher educational system is not perfect, but it is too good to be crippled and it will constantly improve. The less money we have, the more we shall need wide diffusion of culture and scientific knowledge. Let nobody sneer at phrases that our earnest forbears liked to quote such as "plain living and high thinking".





AT NIGHT the Hall of Science becomes more a creation of Aladdin's genie than by day. The brilliantly illuminated walls appear to rise from resplendently colored terraces.

## Chicago Invites the World

By ALLEN D. ALBERT

FROM EVERY CORNER of the land visitors are coming to Chicago this summer to see a phenomenon of the depression that has not been halted by commercial failures, low economic morale, or the despairing of men everywhere. It is A Century of Progress Exposition, Chicago's 1933 World's Fair, which opens its gates formally on June 1.

The visitors will see more interesting things than have perhaps ever been assembled in one place at one time in the history of the world. They will be entertained and amused and will experience the refreshment of new ideas. But what is even more important, they will be given a convincing demonstration that America has a future as well as a past; that its people have not lost the courage which distinguished the founders of their country.

They will see in this Exposition an idea that has been successfully realized at the cost of more than \$30,000,000. They will find that the architects' blue prints of a few years ago have given rise to a city of vast buildings gleaming in color and light along Chicago's lake front. They will see an amazing parade of science,

industry, and inventiveness, based on an exhibit plan developed in the face of one of the world's greatest depressions.

It has been said a number of times that Chicago's new Exposition is distinctive in theme and distinctive in architecture, and that it is soundly financed. These are the basic reasons for its promised success as the opening day approaches. These have given it the life and vigor it undeniably possesses. They have given it the appeal that has attracted support sufficient to see it completed. If a traditional type of exposition had been attempted at such a time as this, if its exhibits scheme had not been challenging, if its architecture had not been free from the accretions of the past, it would have perished in the making.

The Exposition takes as its theme the progress of science applied to industry and the art of living in the hundred years since 1833, when Chicago was incorporated as a village. It will differ from expositions of the past in its method of presenting exhibits. The progress of science and industry will not be shown by rows of motionless machines but by processes in action that



MANY promenades and outdoor lounges throughout the Exposition grounds afford opportunity for visitors to view the mysterious lighting which characterizes the whole Fair, and listen to the carillon music from the 178-foot tower of the Hall of Science. This tower, pictured at the right, is a triumph in neon illumination.

Photographs by  
Kaufmann-Fabry.

will catch the eye and hold it until an interesting story has been told. There will be no needless repetitions. Manufacturers are not submitting rival products for prizes or gold medals. The Exposition has been free to choose what is required to illustrate the progress of mankind and then show those exhibits in the form of moving episodes, whether scientific, industrial or social.

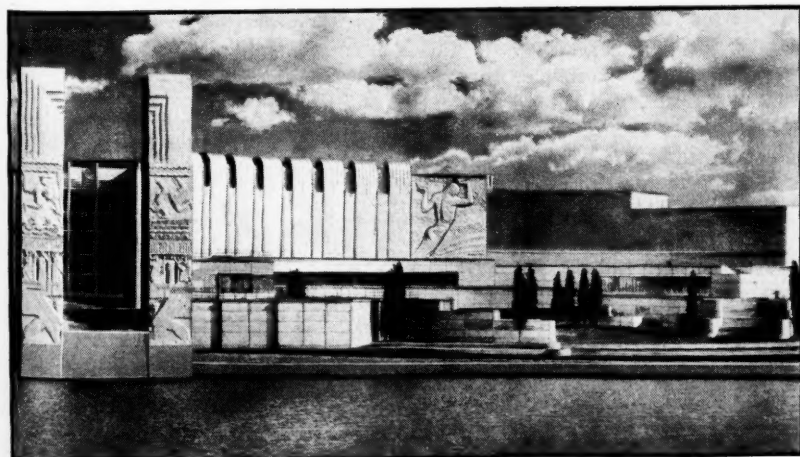
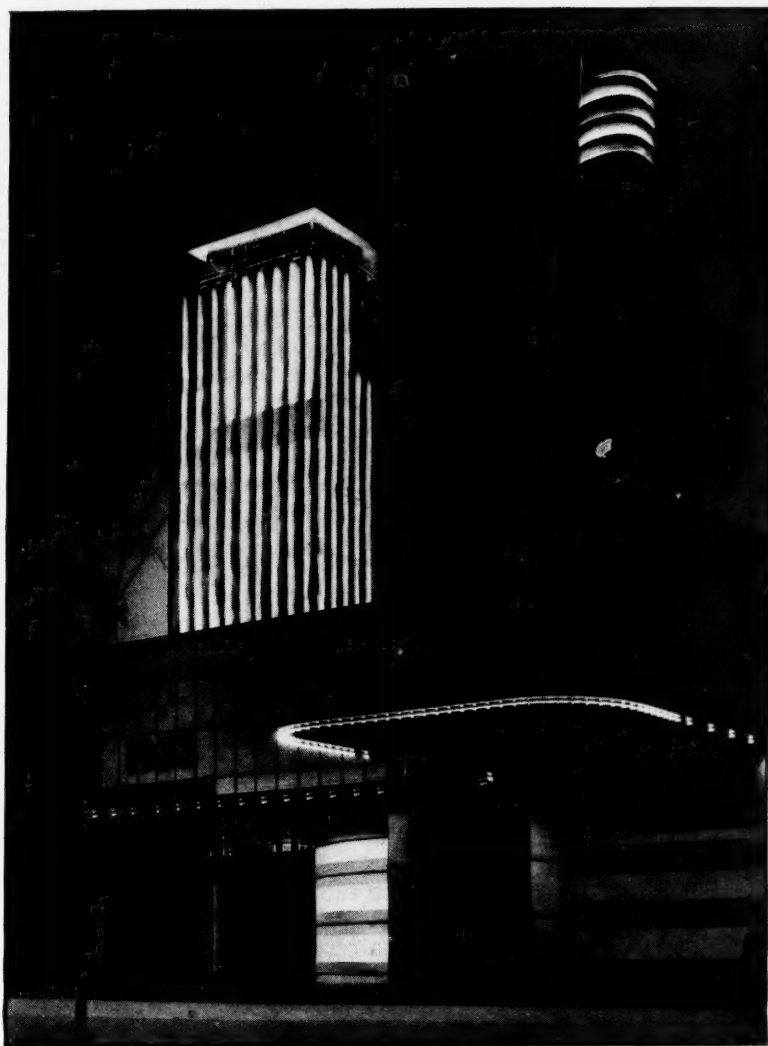
In developing the theme of man's advancement through the progress of science, many interesting things have been accomplished. The Exposition is sponsoring exhibits in the field of basic science and medicine, the plans for which were developed in coöperation with the National Research Council. Active, understandable exhibits which illustrate the underlying principles of mathematics, chemistry, physics, biology, geology, astronomy, and the medical sciences have been worked out. These, it is believed, will succeed in making science live even for those who have no scientific inclination or training.

Even more, perhaps, has been accomplished by exhibitors who aim to demonstrate the application of science to the world of industry. For example, there will be a complete oil refinery operating in miniature before the visitors' eyes. Factory efficiency showing a complete automobile assembly line will be shown in

operation. There will be an automobile tire manufacturing plant, and machines making articles of clothing. The processing of steel will be explained in dramatic form. The story of the production of foods, dairy products, meat, of other commodities from toothpaste to office appliances will be told. Railroad transportation and the vital service it performs, how electric energy is produced and distributed, what happens when you pick up a telephone receiver to make a call—these and hundreds of other exhibits too numerous to describe will delight and instruct the visitors.

There is no doubt that A Century of Progress will present one of the greatest exhibits of its kind the world has yet seen. But such a presentation, no matter how entertaining, would not fill the turnstiles constantly or produce peak days. Something of the bizarre in recreational appeal is needed.

Great world's fairs of the past have produced something unusual in this direction. The Ferris Wheel of the 1893 World's Fair and the Eiffel Tower of the Paris Exposition of



THE LAST WORD in modern architectural phantasy and electrical wizardry, this structure, 1200 feet long by 300 feet wide, is embellished with hanging gardens, steel cypress trees, electric cascades and fountains, gilded pylons, and paved terraces.

1900 have become matters of history. The "Sky Ride" will be a notable feature of the 1933 World's Fair. Two steel towers 2,000 feet apart and soaring 628 feet into the air are being connected by cables at the 200 foot level. Over these rocket-shaped cars of glass and aluminum will carry visitors. Observation platforms at the top of each tower will provide a view of the area below.

The Exposition itself could not finance this \$1,000,000 project. A group of companies in the steel, construction, bridge building and engineering industries provided the necessary capital. Other features such as "The World A Million Years Ago," "The Enchanted Island," and attractions on the Midway, have been made possible by the coöperation of contractors, and other companies willing to match their courage with that of the Exposition. Thus the life, gaiety and color that encourage people to return to the fair grounds many times have been provided to round out the serious aspects of the Exposition. They will furnish an appeal to visitors of every age and background.

**A** SECOND POINT of difference between the present Exposition and those of the past is the architecture of the buildings. These structures are modern and remarkable. Some of them have been called gas tanks and hay barns. But they are honest, functional buildings. They are what they appear to be—exhibit structures. They have been built on as economical a scale as possible consistent with safety. No grand effects in the classical manner, modeled on forms that have been copied by generations of exhibitions, have been attempted.

Inside and out these buildings are twentieth century creations. For the most part they have been built for fifteen cents a cubic foot or less—a cost smaller than that of building some of the halls for the World's Columbian Exposition of 1893, when lower prices prevailed. They are constructed of modern materials— asbestos cement board, sheet metal, gypsum board and plywood. Savings have been accomplished that may suggest important applications to the future of the building industry. Many of the buildings are windowless and lighted artificially. This departure was governed by a desire for economy, and to insure control of the volume and intensity of light at all times, and under every atmospheric condition.

The plan for financing the 1933 Fair at Chicago is a third remarkable feature. All former expositions have had three major sources of capital—grants from the federal, state or municipal governments, admission fees paid at the gate, and the earnings of concessionaires. A Century of Progress waved aside government grants, and determined not to fasten any additional burdens on tax-payers by seeking or receiving such subsidies. This decision had the advantage of removing the possibility of political attachments and the strings which inevitably accompany such grants.

The United States Government and the various states were invited to make appropriations for exhibits, but they were not asked to make payments into the general fund for the financing or support of the Exposition. The Federal government appropriated \$1,000,000 which has been used for the erection of its special building housing its own exhibits. Various states pledged \$2,000,000 for the purchase of space and the development and maintenance of exhibits in the Hall of the States adjoining the government building.

Approximately \$800,000 for preliminary financing was obtained through gifts from founder and sustaining members of the Exposition and by the sale of World's Fair Legion certificates at \$5 each to more than 100,000 Chicagoans.

The major fund was provided by a \$10,000,000 bond issue secured by a 40 per cent. lien on the gate receipts. Of this more than half was subscribed in the early days of the market crash of 1929. Additional subscriptions since then amount to \$1,000,000. More than \$3,000,000 of the bonds have been taken at their par value in lieu of cash by great corporations, contractors and others, in payment for materials and construction. These companies took the bonds only after they had satisfied themselves that they were worth their face value.

The unique feature of the financing lay in the sales of exhibit space in the various buildings to great industrial companies or organizations, and in securing the contract of various companies to build special structures of their own. By means of these sales and contracts, an investment in space totaling \$5,382,180 had been made up to April 1, by about 500 companies representing virtually every branch of American industry. At the same time contracts signed by concessionaires for providing transportation, restaurants, food and beverage purveying, amusement attractions, and services of various kinds totaled in excess of \$5,500,000.

In all the financing and preparation of the Exposition two rules were followed. No contracts for buildings, construction, or exhibits were undertaken unless the money was assured to pay for them. And no large salaries or extravagant expenditures were tolerated.

**I**N MANY ways the depression has been an asset to the Exposition. The money spent has bought more, dollar for dollar, than would have been possible at any time within the past twenty years. The cost of building and materials has been lower. The staff has been trained to think in terms of expenditures that are essential only to the holding of the Fair. The depression enabled us to obtain a staff of a caliber that could not have been secured in normal times for a temporary undertaking. The management has employed men to whom it felt it could delegate authority.

Sound management, economy, stable financing, a staff that has proved itself expert in meeting conditions, plus the unique and modern character of the enterprise are the factors that made great industries throw the weight of their support behind the Exposition. The executives of the companies exhibiting are shrewd, experienced buyers. If they had not seen the probability of an adequate return on their investments, the railroads, the automobile industry, the electrical industry, petroleum, mining, steel production, agricultural equipment makers, food producers, and hundreds of others would never have invested the millions they have for exhibit space and spent millions more in the preparation and maintenance of their exhibits.

The test of this or any other Exposition is the attendance once it is opened. The nation seems ready for such an event. The time seems psychologically right. Interest has run high throughout the United States in the period of preparation. The railways are offering specially reduced rates to the Exposition, sensing an important opportunity to stimulate passenger business. Bus lines are also making attractive rates. The visitors will likewise come by motor car, water, and air.

# After the Hitler Scare

By FRANK H. SIMONDS



## WINGS OVER EUROPE

By Fitzpatrick in the  
*St. Louis Post-Dispatch*

**S**INCE I LAST WROTE HERE the world has been treated to the spectacle of the arrival of Hitler and his Nazis to complete supremacy in Germany. The immediate consequence of that spectacle has been a European attack of nerves strangely reminiscent of the years which preceded July, 1914. Nor was the contemporary panic, provoked by events in Berlin, lessened either by the preliminary satisfaction disclosed in Rome, or the subsequent results of the excursion of Ramsay MacDonald to the Eternal City.

In March, what most disturbed the statesmen and publics of the Old World was the fact that there seemed to be taking form a new coalition, including Germany, Austria, Italy, and Hungary, with the interests of Bulgaria also visibly enlisted, to counterbalance the existing combination of France, Poland and the three nations of the Little Entente. What gave weight to April anxieties was the perception that the conversations at Rome had re-awakened the issue of treaty revision—this time in an even more pressing and dangerous form.

Hence the question, openly discussed in European political and diplomatic circles: Would the allies of France, Poland in particular, confronted by the permanent threat of German purpose and the fact that the resources of Germany would one day be superior to those of France, sooner or later decide for that preventive war which might alone exorcise the danger? And would France then be dragged after her Polish ally as Germany had been towed into the World War by her solicitude for her Austrian partner in 1914?

For several weeks the world watched the European Continent with acute and warranted anxiety. It was known that Polish troops had been concentrated in and near the Corridor. It was recognized that Yugo-Slav preparations for conflict along the Italian and Albanian frontiers had been carried to the pitch of complete readiness. And what counted even more was the recognition of the state of mind which prevailed in Berlin and the apparent state of purpose in Rome.

An effort to allay immediate apprehension and avoid eventual collision was made by MacDonald in conference with Mussolini. Together the British Prime Minister and the Italian Dictator undertook to formulate plans for the creation of a four-power club of great powers, to direct the progress of events in Europe. Recognizing the practical collapse of the League of Nations even in advance of the March crisis, MacDonald sought to reestablish that Concert of Europe which had postponed war for long years before 1914.

France, however, looked with immediate distrust upon this confabulation between a British statesman whose unfriendliness Paris accepted as assured, and an Italian leader whose entire period in power had been characterized by increasingly unfriendly relations between Italy and France. To French distrust, the press and public of Poland and the Little Entente promptly added violent denunciation when it was

learned that back of the four-power club lay a project for territorial revision of the peace treaties.

In no distant time, therefore, the French Foreign Office was compelled, by public sentiment alike at home and in countries allied to France, to announce its rejection of all projects for treaty revision save as these might be presented at Geneva and in accordance with the Covenant of the League of Nations. In a word, France effectively vetoed the Roman project by declaring that efforts to achieve the ends it aimed at could be undertaken only at a place and under conditions which condemned them to futility in advance.

Meantime the sudden shift within Germany, the outbreak of the attack upon the Jews, the world-wide outcry this attack provoked, the domestic disarray which followed it—all served at least temporarily to distract attention from the questions of foreign policy which the Hitlerian victory had raised. Talking about the persecution of the Jewish populations of the Reich led to a surcease in the discussion of such issues as that of the Polish Corridor and Austro-German union.

Nevertheless, it must be clear upon the slightest reflection that the rise of Hitler to power and the triumph of National-Socialist policy in Germany bring Europe to the most dangerous state since the Armistice.

Henceforth a new war, if neither inevitable eventually, nor perhaps probable immediately, becomes a possibility which cannot safely be excluded from the calculations of statesmen.

In fact only three exits from the present situation are at the moment discoverable and none is exactly reassuring. It is plain that the Hitlerites may fail at home, that they may provoke a domestic civil war or a national economic and financial collapse which will end in their violent expulsion from power. In any such event the dislocation of Germany would, in all probability, preclude any foreign adventure for a long time to come. Present anxieties of the neighbors of the Reich would then be abolished.

In the second place, however, it is not less possible that Hitler and his fiery lieutenants, Goebbels and Goering, faced with the approach of domestic difficulties



from political or economic causes, might seek to restore unity at home by a foreign adventure. They might either produce some Nazi foray into the Corridor, or encourage some Austrian demonstration for the *Anschluss*. In the case of the former, however, a Polish army, already concentrated, certainly would march upon Berlin. In the case of the latter, a similarly prepared Czech force probably would set out for Vienna. In either instance it is hard to believe that France would remain quiescent.

There is a third but much less likely solution. Hitler might succeed in consolidating his control at home and thus in rivaling the success of Mussolini. In this instance the restoration of German prosperity and the re-armament of German manhood would soon promise a day when Pole and Czech would face the fact that, if German progress continued uninterrupted, their own ability to resist an eventual and inevitable attack would be insufficient. And in that moment the possibility of a preventive war must not be overlooked.

**T**HE AMERICAN PUBLIC must see that as a result of the rise of Hitler and the triumph of the National Socialists, the European Continent has again become a tinder-box. The League of Nations has ceased to have any real importance in the reckoning of responsible statesmen. The projects of disarmament and the importance of such paper pronouncements as the Kellogg Pact and the Stimson Doctrine have lost even an academic appeal. No one, to be sure, dares to advocate the adjournment of the moribund Arms Conference, but neither does any one expect of it even a sign of animation.

What the majority of the American people have never recognized, and their administrations have never explained to them, is that the basic difficulty in Europe does not arise from any questions of prestige, militarism, or, in the larger sense, imperialism. It would be just as possible in Europe as in America to set up such undefended frontiers as now separate Canada and Mexico from the United States, if the physical circumstances were similar. There is in Europe just as profound a desire for peace as there is in America, and a better appreciation of the meaning of war.

But since the races of Europe are hopelessly intermingled and each country desires national unity and racial solidarity, there are great areas of dispute and large populations which must be the victims of alien domination. Revision of the territorial decisions of the peace treaties would not improve the situation; it would only substitute a German for a Polish solution, or a Hungarian for a Rumanian satisfaction. All the devices for assuring peace which the Americans and British have invented during and since the war are useless just as long as one set of people makes peace conditional upon keeping what it has, and another upon getting back what it has lost. You can write all the pacts you choose, but they will be valueless as long as each nation formulates its own reservations.

We can now have war from one day to another in Europe because one group of peoples will not hear of peace unless assured in advance of the thing that war alone can obtain; and similarly because, for another group, no consequences of defeat in conflict could be more disastrous than the programs of treaty revision advocated by their neighbors. In the Kellogg Pact all signatory countries renounced war as an instrument of

national policy; but none renounced national policies which, in Europe at least, make war inescapable.

Today then, as I have said, Europe is face to face with the most dangerous crisis since the armistice. At the moment that crisis is chronic rather than acute, but it can become acute as did that other crisis which endured from the Affair of Tangier to the Assassination of Serajevo and culminated in the World War. And nothing whatever is being done about the crisis which will be effective. MacDonald's plan was no more than a proposal to throw Poland and the Little Entente countries to Germany and Italy in the hope of placating these great powers and preventing a general war.

The French plan, on the contrary, envisages all the nations of Europe, and indeed of the world, as standing together to prevent or smash any act of aggression of any dissatisfied nation seeking treaty revision. That plan means uniting all the armies and fleets of the planet to maintain the *status quo* against German, Austrian, Hungarian, Bulgarian, and Italian challenge. But if the small states will not consent to be sacrificed, the satisfied countries of the world will just as plainly not stand to arms to restrain the dissatisfied.

Henceforth no issue of itself is of very great importance. Everything turns upon the fashion in which it is related to the major dispute between Status Quo and Revision powers. When I went to Paris two years ago one of the oldest and most experienced of European diplomats explained to me that the importance of the Austro-German Tariff Union project, then under discussion, must turn upon whether France chose to make it an issue between herself and Germany. Eventually she did, and as a consequence we had the financial débâcle which began in Vienna. But in the course of that affair Germany was compelled publicly to renounce her plan of tariff union with Austria.

It was the same about the Hoover Moratorium. That proposal would perhaps have averted the financial crash in Germany. But unless Germany was prepared to renounce her political program, her recovery would have constituted a deadly peril for the allies of France, if not for France herself. Disarmament, so dear to Mr. Hoover's heart, in identical fashion would have reduced the military strength of the Status Quo states to the level of the Revisionary without modifying the purposes of the latter.

**D**ISARMAMENT, the Hoover Moratorium, the League itself, thus in turn have only served as stakes in the struggle proceeding between two groups of continental powers, a struggle hitherto carried on by other than military means but rapidly approaching the point where guns may again be employed. Even the much vaunted world economic conference now in preparation can hardly lead to anything important while nations are employing their tariff schedules and barriers to advance their political purposes without regard to the economic consequences of such a course.

In sum, the crisis of today in Europe—and it is a crisis serious beyond possibility of exaggeration—does not owe its gravity primarily to the several issues involved. Rather it is due to the spirit in which something like a quarter of a billion of peoples consider these issues, and the fact that for all there can be no peace until their national purposes are satisfied. The Hitler phenomenon was the final demonstration of fact already pretty generally perceived.

# The Failure of State Banking

By JOSEPH STAGG LAWRENCE

Editor, The Econostat

**F**OR MORE THAN 200 years this country has witnessed a conflict between local and central monetary jurisdictions, a struggle between the rights of colonies and later, states, to provide currency and the corresponding rights of the central government. It started with the Colony of Massachusetts in 1690 which issued £40,000 in bills of credit—scrip to us—with which to pay soldiers who had just returned from an unsuccessful expedition into Canada. From this Pandora's box there issued forth a succession of bills of credit not only for Massachusetts but for every other colony in spite of all efforts of the royal government to stop it. In fact, the attempt of the home government to preserve the integrity of the pound was one of the contributory causes of the Revolution. The chaos in currency which this exercise of the sovereign prerogative created in the colonies was not lost on the fathers who gathered after the Revolution to formulate a constitution for the government of the land.

In order to maintain a uniform, sound currency and prevent the states from issuing competitive money or repeating the abuses of the pre-revolutionary days, the Constitution in Article 1 Section 10 says explicitly that "No state shall—coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts." To the men who had lived through the days when the colonies tried to force creditors to accept the depreciated bills of credit at the same value as gold and silver, these clauses must have been regarded with a great deal of satisfaction. They little reckoned that the states would present the same problem in two other forms with attendant abuses fully as great as those which were evident in the days before the Revolution, nor that the country in the year of grace 1933 would still be scratching its perplexed head in the attempt to discover some way in which the states could be prevented from undermining the currency and banking standards of the country.

For the clauses in the Constitution which we have just cited applied only to state governments. They did not prevent the states from creating corporate creatures called banks which could do precisely what the Constitution prohibited the states from doing. And so during the next eighty years the states chartered thousands of banks which had more or less unrestricted privileges of note issues, with the result that the country was flooded with bank notes of varying degrees of value. These bank notes served exactly the same purpose as do bank checks today. The merchant who borrowed from a bank, instead of receiving the right to draw checks to the amount of the loan, received an equivalent number of the bank notes. These notes the bank was supposed to redeem in specie on demand just as the banks today are supposed to redeem their deposits in currency on demand. As in recent banking history there was disgraceful speculation in bank stocks. Banks were

organized on phantom capital consisting often of currency issued by the bank itself to the stockholders and then paid back by them to the bank as the capital which was supposed to protect the depositors, a situation exactly the same as that in which a twentieth century bank lends its stockholders its own credit to enable them to pay for their stock. The history of the first half of the nineteenth century is filled with hundreds of particular instances of downright fraud, with general suspensions of specie payments as in 1814, 1818, 1837, 1841 and 1857, with many partial suspensions where large groups including branch systems closed. As is always the case the principal sufferers were the working classes, the farmers and the petty merchants.

**O**UR BANKING SYSTEM then, as now, became the nation's reproach. Under the stress of a grave crisis the National Banking Act was passed on February 25, 1863. It was designed to eliminate the abuses of state banking even as the prohibitive clauses in the Constitution were designed to prevent precisely similar excesses. The original act called for a minimum bank capital of \$50,000 and prohibited loans on real estate. Both provisions have since been altered for the worse. To insure a uniform currency and prevent the state banks from spewing forth another flood of undesirable paper money, a bill was passed in February, 1865, imposing a tax of 10 per cent. on the currency of state banks. This put a stop to state note issues. Incidentally, the legislators who passed these laws felt that branch banking was a fault to be classed with inadequate capital and the irresponsible issue of bank notes and prohibited it.

These Civil War legislators must have felt that the state banks had now been placed in a position where they were no longer a menace to the safety of the nation's banking system. Their satisfaction was short-lived. The use of currency for transactions was gradually succeeded by checks. The state banks which were now unable to give borrowers bank notes on their loans were able to give them credit against which the borrowers could write checks, in effect a special form of currency. Prior to the Civil War, bank deposits were a negligible factor in the total supply of media of exchange. By 1870 the per capita supply of deposits, \$27.60, already exceeded the per capita supply of currency, \$18.73. By 1910 this had changed to \$37.57 in currency and \$162.12 in deposits. In 1930 the corresponding figures were \$67.43 and \$435.76, a ratio of 1 to 6.48. Furthermore, only a part of the currency supply was in actual circulation, so that, eliminating the amount kept in the Treasury and in the vaults of Federal Reserve Banks, the real ratio of bank deposits to currency was about 15 to 1.

This leaves us with the same problem which the Constitutional delegates and (Continued on page 50)

# Can Rail Securities Be Stabilized?

By JENNINGS C. WISE

Special Assistant to the Attorney General of the United States.

**HERE is a plan for recapitalization which would convert railroad securities into fluid assets to provide working capital for industry and commerce.**

ONE FAMILIAR with the transportation system of the United States and its relations to the economic life of the country may well conclude that with the railway carriers in their present condition an element essential to economic recovery is lacking. Moreover, there is ground for the belief that the present economic depression in this country is in part due to the financial condition of these great corporate properties.

Looking back it is not difficult to see many things which escaped attention when they were happening and the inevitable consequences of them.

The government operation of the railways was concurrent with a period of unprecedented economic inflation. Limited in their earnings they derived none of the benefits shared by trade, industry and commerce. On the other hand, these properties were not only turned back to private operation in a much impaired physical state, with their managements subject to all the old obligations, but found themselves in competition with the new system of automotive transportation which had been developed with unprecedented rapidity during the emergency of the war. The result was that before they could be safeguarded by adequate legislation the earning power of these great vital properties had been enormously impaired with a consequent loss in the value of railway securities.

The extent to which the unrestricted invasion of the field of transportation by the automobile has undermined the whole economic structure of the country has been perceived by few people. Nor can it be understood if we look merely at the face value of the outstanding railway securities which is approximately but \$20,000,000,000.

In truth, the importance of these securities is out of all proportion to their face value by reason of the fact that they represent the invested wealth not only of a large class of individuals without earning capacity, such as widows, orphans, and retired persons who were wholly dependent upon them, but of insurance, trust,

and investment companies as well. So it was that when their value was impaired, a vicious circle was established. Thus, trade was soon affected by a widespread loss of credit and buying capacity. With loss of individual credit, money tended to become more and more stagnant in the banks. Thereupon industry began to slump with less and less business for the railway carriers. As their earnings continued to decrease railway securities fell off more and more in value until today, not merely the railroad companies and the individual holders of their bonds and stocks, but the banks as well as the insurance, trust, and investment companies, are face to face with insolvency.

The diagram, eloquent of economic interrelations, enables the far-reaching effect of the impairment of railway values to be envisaged. In consequence of the universal reduction in individual wealth for the reasons shown, assets generally have become less liquid.

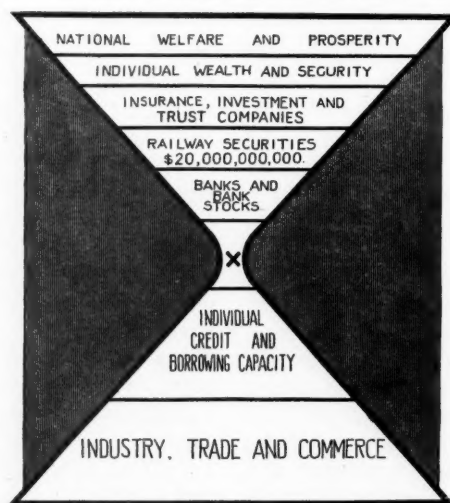
Thus, in effect, the threatening bankruptcy of the railway carriers serves as a stopper at point "X" in the diagram, while people generally, unaware of the real cause of the economic stringency, are demanding ever more loudly that the currency be inflated and that the whole credit system upon which the security of the banks is based be tampered with, in order to restore the fluidity of capital and credit.

It must be obvious that in this situation the establishment of a definite value for railway securities is necessary in order to make of them fluid assets. For example, a man has \$1,000 invested in the common stock of a railroad company. He is drawing no interest. Yet he cannot realize the capital he requires for his business by the sale of his stock, nor can he borrow the capital by putting up his stock as collateral.

The national experience does not indicate that the present condition may be relieved by resort to government ownership or operation. There is good reason to believe this would not bring about a recovery of railway values. But suppose the United States Government as trustee of the railways

should in effect lend the owners of railway securities an amount in proportion to their values as determined by an actual valuation of the railroad properties and their prospective earning capacity under proper conditions? Is it not manifest that a portion of the capital invested in the \$20,000,000,000 of outstanding railway securities would at once become fluid capital, tend to promote industry, trade and (Continued on page 50)

THE ECONOMIC STRUCTURE  
in terms of Capital and Credit Fluidity





# An Analysis of the Farm Bill

By FREDERICK E. MURPHY

Publisher, The Minneapolis Tribune

**N**O ANALYSIS of the administration farm bill can come to an accurate conclusion without an understanding of its essential experimental character. It is unique in this and in other important respects. It is a grant of power to the Secretary of Agriculture rather than a formula for the cure of the agricultural ills of the nation. In effect the bill tells the President, "You are the doctor, do whatever you think best for the patient."

President Roosevelt made this plain to Congress in his terse message which accompanied the bill. Said he:

"Deep study and the joint counsel of many points of view have produced a measure which offers great promise of good results. I tell you frankly that it is a new and untrod path, but I will tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped for results, I shall be the first to acknowledge it and advise you."

It should be understood that the experimental character of the bill is not the result of panicky haste. We have had the problem of agriculture too long to regard it as an emergency. President Roosevelt, reviewing the efforts that have been made to find a solution in the last decade, came to a basic conclusion: That there is no farm problem, but a hundred farm problems, and that there is no one solution for all of them. The natural reaction to that conclusion was to design a law which would give the executive, acting through the Secretary of Agriculture, authority sufficiently broad and sufficiently flexible to cope with the multiplicity of problems that agriculture presents.

While the powers granted the Secretary of Agriculture may, for the lack of a more precise term, be described as dictatorial, it is because of their scope rather than of their arbitrary nature. His authority on the individual farm will be contractual. His power to tax processors will be limited by the price index, and his authority to license distributors is simply for the purpose of regulation and is not essentially different from the licensing regulation imposed on many businesses by municipalities and states. The granting of these powers is a logical consequence of the recognition that there are numerous, variable, and frequently conflicting agricultural problems that have their origin not only on the farm but likewise in the realms of finance, transportation, manufacturing, and in the shifting habits of the consuming public.

It is a misfortune that our habits of speech have led us into the belief that the agricultural problem was a single problem for which there was a single solution, which could be discovered by means of congressional debate. Every agricultural product has its peculiar problems as has every agricultural area, and in the Administration's recognition of this fact lies the hope of restoring buying power to the American farmer.

In its broad grant of powers, the measure, at the time this was written, permits the Secretary of Agriculture to achieve this end by taking such means as may be necessary to raise the level of farm commodity prices and to reduce the burden of farm indebtedness. It is a reasonable expectation that local political units will materially assist this process by reduction of taxes. This grant of authority to the President and Secretary of Agriculture is given in broad general terms to "establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will re-establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities, except tobacco, shall be the pre-war period, August, 1909 to July, 1914. In the case of tobacco, the base period shall be the post-war period, September, 1919 to August, 1928."

**W**E HAVE here a realistic recognition of the surplus problem, which does not tie the Secretary of Agriculture down to any one method of solving it. He may adopt one method to prevent a surplus of wheat and another to prevent a surplus of cotton. While the Secretary of Agriculture is given unusual power in his efforts to restore buying power to the farmer by increasing the prices of farm commodities, a definite limit is placed on these prices, beyond which they are not permitted to increase.

The bill provides that the Secretary "shall approach such equality of purchasing power by a gradual correction of the present inequalities therein, at as rapid a rate as is deemed feasible in view of the current consumptive demand of domestic and foreign markets," and "to protect the consumer's interest by readjusting farm production at such a level as will not increase the consumer's retail expenditures for agricultural commodities or products derived therefrom, which is returned to the farmer, above the percentage to the farmer in the pre-war period."

These broad powers granted to the Secretary of Agriculture by the bill, so far as they contemplate control of agricultural production, are not peremptory but are based on voluntary contracts. No farmer is compelled to enter into a contract but unless he does, he is not permitted to participate in the rental or benefit payments. Any farmer may produce as much as he likes but in such a case, he will have to be satisfied with the going price for his commodity.

To this end the bill gives to the Secretary of Agriculture these powers:

(1) To obtain by contract with farmers, a voluntary reduction in acreage or production of certain crops, in return for which reduction, producers will be com-

pensated by means of rental or benefit payments.

(2) To enter into marketing agreements with producers, marketing agencies, and processors of farm products. The intent of this provision is that there may be organized commodity councils which will include both growers and processors of a crop. These councils will help determine what plan of acreage reduction or what scale of taxation on the processed goods may be most suitable.

(3) To license processors and distributing agencies that handle agricultural products in interstate and foreign commerce, in the event that such licensing becomes necessary to achieve the purposes of the act.

(4) To make use of the Smith cotton option plan in the 1933 crop.

(5) To impose limited taxes on the processing of basic farm products. The amount of the tax cannot be greater than is required to bring the market price up to the pre-war parity price. The purpose of this tax is to collect funds with which to compensate those farmers who have contracted to reduce their production of the commodity so taxed.

From the above it will be seen that while the bill gives extraordinary powers to the Secretary of Agriculture, that they are permissive rather than dictatorial. It is obviously the expectation of the Administration that it will have the full coöperation of all parties at interest. Those who have discussed the bill with the President and the Secretary have the distinct impression that the Administration recognizes the interdependence of the producer, processor and distributor; that each performs a legitimate and necessary function and that each is to be consulted in a friendly fashion so that the various plans will work harmoniously.

Obviously this effort to restore farm commodity prices to their pre-war level will, in a large measure, depend on the whole-hearted coöperation of all concerned in the production, processing, and distribution of these commodities.

**T**HE SECOND PART of the bill, at the time this article was written, which seeks to reduce farm indebtedness, provides for a consolidated issue of Federal Land Bank bonds, not to exceed two billion dollars. The bonds are a joint obligation of the twelve Federal Land Banks. The interest rate is 4 per cent. which the United States Treasury guarantees. The Federal Land Banks may exchange these bonds for approved first mortgages on farm property or to purchase such mortgages. The value of the bonds to be exchanged for, or the purchase price of any mortgage may not exceed the face value of the mortgage, nor may it exceed 50 per cent. of the normal value of the land mortgaged, plus 20 per cent. of the value of the permanent insured improvements.

The interest rate on existing mortgage loans made through national farm loan associations by the Federal Land Banks and those made within two years after the passage of the act, may not exceed  $4\frac{1}{2}$  per cent. and provision is made for reducing payments to the same rate on mortgages now held by these banks.

Fifteen million dollars is authorized to be appropriated to cover the loss of the Federal Land Banks caused by reduction in the mortgage interest rate. The Secretary of the Treasury is authorized to subscribe fifty million dollars to the paid-in surplus of the Federal Land Banks on approval of the Farm Loan Com-

missioner, the sum constituting a loan which will permit the banks to defer for five years amortization payments and to decrease or postpone interest payments due from farmer borrowers who are unable to meet them.

The effect of these provisions will be to permit the farmer to keep his Federal Land Bank mortgage in good standing with total annual payments of  $4\frac{1}{2}$  per cent. as against present payments, including amortization of an average of  $6\frac{1}{2}$  per cent. and to offer opportunity for further reductions in cases of extreme need.

**I**T CAN HARDLY be denied that conditions in the agricultural sections of the country, whose people constitute one-fourth of our population, are such as to seriously imperil our national welfare. Falling prices and the consequent increase of the debt burden has been driving the farmer irresistibly to lower economic levels for the past ten years, until he has now reached the stage of desperation. He cannot pay the interest on his mortgage and the mortgage holder doesn't want his farm, with its obligation of taxes and its inability to pay operating expenses. Insurance companies, banks and individuals hold mortgages on our farms amounting to more than nine billion dollars. The prices for farm produce do not justify shipment to market, and railroads are going into receivership. The farmer has ceased to be a consumer of manufactured products and is forced to live off his farm. The plight of the farmer is not only of interest to the farmer. Finance, industry and transportation suffer with him. It is not possible to imagine any scheme of national rehabilitation from which the farmer is excluded or in which he does not play a determining part.

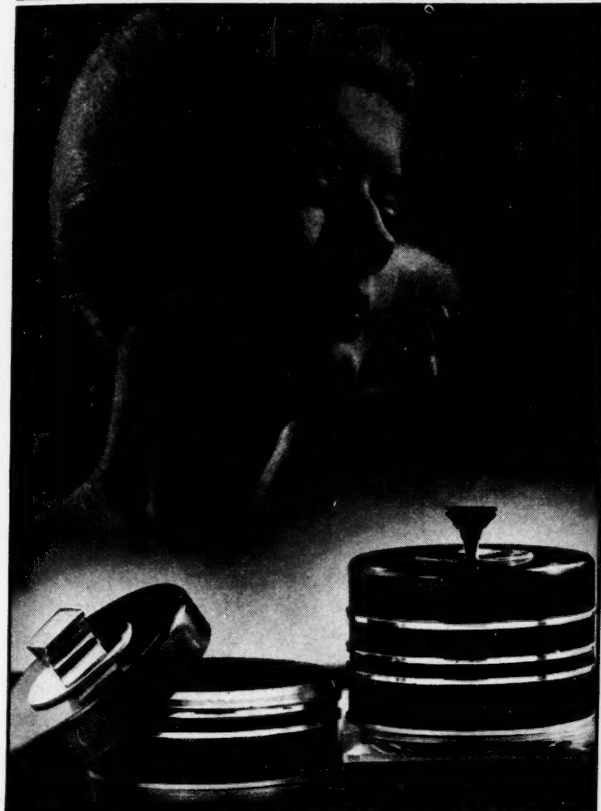
There is further justification for granting unusual authority to the Administration in the fact that agriculture is our basic industry. I am one of that not inconsiderable number of persons who believes that buying power in the hands of the farmer is the quickest and surest means of restoring our national prosperity. Prosperity doesn't have its beginnings in New York or the large urban centers of the east. It may become visible there, because of its concentration. The stock market may register it. We may be able to count the number of men at work, car loadings, factory output, etc., but if we look into the matter closely, we will see that some months previously there was an evidence of prosperity in the thousands of towns and villages throughout the United States. These little rivulets trickled into the larger cities of the agricultural area and then in greater volume into the manufacturing and commercial capitals. The purchases of the individual farmer may be small, not worthy of statistical notations, but there are six million farms in the United States and some thirty million persons on them and the sum total of their purchases is enormous.

His buying power and his indebtedness are, therefore, of the gravest national importance. Today his buying power is nil and his indebtedness is a major financial problem, both of which facts would seem to warrant any economic or political experiment that holds out any fair prospect of success.

In times of national danger we do not hesitate to put faith unreservedly in our chief executive, and it would seem that our present situation justifies a confidence and a coöperation regardless of economic dogmas and political partisanship.

# Industry DESIGNS FOR LIVING

By THOMAS J. MALONEY



Photograph by Pennybaker

MILADY'S taste in cosmetic containers, cigarette boxes and knick-knacks both runs and is being led in the direction of modern design. Above, George Graff has skilfully combined synthetic materials and metal. Parts are interchangeable and multi-colored.



Photograph by Gilbert

THINK of design and you think of new materials, and new uses for old. Engineers of the American Thermos Bottle Company and the Doehler Die Casting Co. styled this thermos server for the hotel market. The body is a zinc die casting plated with silver.

**A**mericans are design-conscious. They have developed a taste for line, color, and form that is carried far beyond the domain of hats and frocks. To them the gingerbread fanciness of a past generation is becoming anathema, and woe to the sales of the household product which does not conform to ideals of simplicity. This trend is everywhere evident.

Let us begin with a name known to every reader, Sears, Roebuck & Co. One of their products, a new washing machine, was announced a month ago. It is not an unusual machine, though there are distinctive features about it and it is superior to the model it replaces in engineering and appearance-design. There is, however, one unusual feature that carries a world of meaning to the world of making things, selling things, and earning a living. A neat medallion on every machine says, "Designed by Henry Dreyfuss."

Merely the name of a design consultant. But attach that name to Sears, Roebuck & Co. and you suddenly realize that art has entered industry to a far greater degree than any of us appreciates. The huge mail order houses are not innovators. They do not

adopt a product until its value is proved and its market assured. When the name of the man whose task it is to give a washing machine a finer appearance is placed on that machine as a part of its sales appeal, design is making its mark.

On this and the following pages are pictures of new and restyled products in various metals and materials—zinc, aluminum, brass, steel, synthetic plastics, paper, and others. In the planning, making, and selling of these objects design for appearance was incorporated for exactly the same reasons as design for utility—economy and profit. The big task is to convince more manufacturers of two things. First, modern design usually means a more economical production set-up because simplicity is its keynote. And second, the kitchen and automobile are self-evident proofs that American housewives insist on good design, and that profits lie in catering to their taste.

Howard Blood, president of the Norge Corporation, refrigerator manufacturers, not only caters to that taste, but lets the housewives dictate every detail of the Norge Refrigerator. His 1932 advertising asked women in all



parts of the country what kind of refrigerator they would like in 1933. More than 100,000 women wrote to Mr. Blood. Lurelle Guild, design consultant, was commissioned to style a refrigerator in accordance with the wishes described in those letters. The picture of the new model expresses better than words the splendid taste of today's housewife.

Says Mr. Blood: "In 1931, we set out to achieve vital distinction in 'eye appeal'. The women of America were asked to declare their wishes on appearance and features and 100,793 replied. Their thoughts on conveniences and their expressed wishes for beauty were incorporated in the new 1933 Norge.

"It might be possible, though always difficult, to ignore the desires of one woman; but the explicit wishes of 100,793 women cannot be laughed off.

"Closely following the desires of these women, our 1933 models reflect vital distinction in a departure from conventional cabinet design. Gone is the protruding cabinet cover, relic of ice box days. Gone is the interrupting spread between food compartment and me-

critic. Its artistic appreciation has been increased a thousand-fold in the last twenty years. From the cheap caparison of the gay '90's, it has turned to modern aesthetic simplicity in a way that has thrown architecture, furniture, fashions all awry.

"Gone are the complex whirligigs and filigrees, the acanthus leaves and rococo convolutions which characterized old-fashioned design. Nothing overdone, nothing useless, nothing redundant has the 'eye appeal' or wins the sales dollar today. The mass of consumers is educated artistically to the point where old-fashioned design disgusts them. Any gaudy show that strays from the sheer verticals and rounded horizontals of modern simplicity is at once suspected as an attempt to detract attention from some lack of inherent fineness or fitness in the product. Since many products are still of that class, re-design not only offers great hope of sales stimulation; it is imperative."

These are the words of a hard-headed industrial executive, and are based on cold dollars and cents analysis. The truth of every word is self-evident when you step behind the scenes and see what controls these trends.

Glance through the women's periodicals—*McCall's*, *Delineator*, *Ladies' Home Journal*, *Good Housekeeping*, *Woman's Home Companion*. Their make-up (*McCall's* retained this same Henry Dreyfuss to re-style the magazine completely) always tends toward a pleasing simplicity and fundamentally sound design. There may be controversy as to the tail wagging the dog, or the dog the tail; whether these periodicals lead women to a wider appreciation of simple beauty, or whether women demand the changes that have been made. It makes no difference. Sales results show that women like them and that is the answer. Step into their kitchens and bathrooms and you will see what they like and use. All critics agree



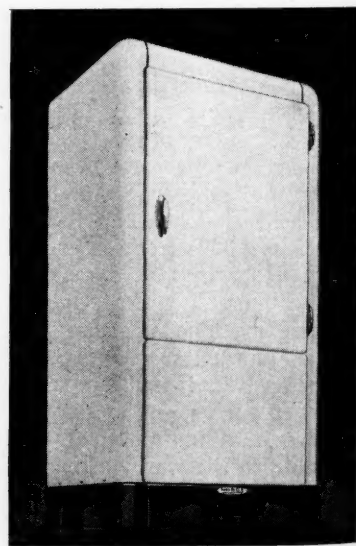
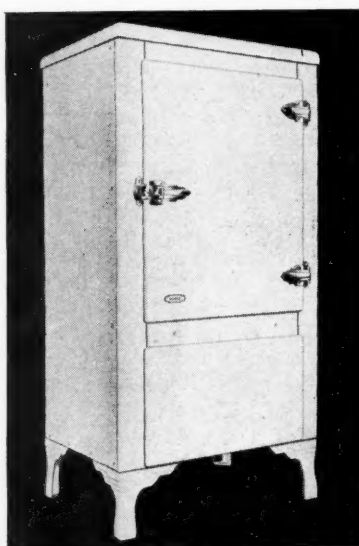
SUCH items as this first responded to consumer demand for simplicity in design, function and appearance. Simon de Vaulchier designed the new container at the right. Your pleased reaction was that of the distributors, retailers and customers.

chanical door which disturbed the symphony of sleek perpendicular lines. Gone is all heavy hardware for which women declared such distaste.

"From an impressive base, tile-like in effect (which can be had in either white or lustrous black porcelain) smooth flowing cabinet lines delicately mold themselves in gleaming white to rise in perpendicular simplicity, curving over the top. There are no abrupt angles and sharp corners.

"The sales stimulus of this improved appearance has jumped volume beyond expectation. Dealers, assembled in distributor meetings, have responded to the introduction of the new models with enthusiasm.

"The American public has turned art



BEFORE and after 100,793 women told Norge how to make their refrigerator. As an exhibition of modern taste as dictated by the American housewife and correlated by Lurelle Guild and the Norge Corporation engineering division it has no superior. Test results of this 1933 model show sweeping sales improvement.

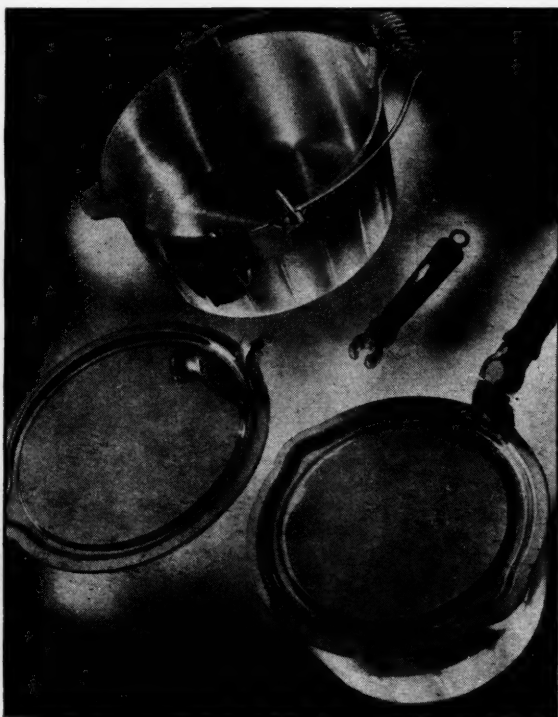
that these two rooms are the best in the American home.

The chain stores appreciate this. All are re-styling their packages, and demanding that the packages of the people from whom they buy be done in the newer and simpler way. A casual stroll through the annual packaging clinic exposition not only shows the trend toward design and re-design, but the accomplishments already achieved.

What of the persons who re-design everything we live with? There are names—important names—you see many of them directly beneath their faces on these pages. Outstanding examples of the things they are doing are displayed on every hand. But also remember this. Design is the child of

TWO of the many lovely designs conceived by George Switzer for Westinghouse. Micarta is one of the newest and most remarkable of synthetic materials.

Adams Photo



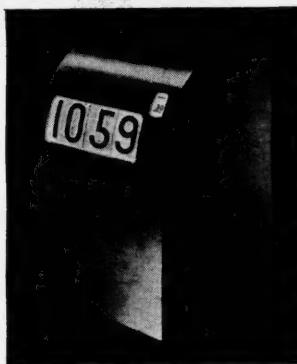
D. Koser

BEAUTY has its mathematics—also the mathematical mind can create beauty. Here are pots and pans designed by the engineering division of The Doehler Die Casting Co. They have received the critical acclaim of specialists both for design for duty and for design for beauty.



Photograph by Anton Bruehl  
Courtesy Printers' Ink

MEN who major in industrial beauty. Switzer, Jensen, Teague, Sinel, Leonard, Allan, Nash (left to right) are seated around the table above. There are many others, some pictured on the next page—others working unrecognized in the engineering departments of many corporations. They are experts in styling for utility, beauty and consumer preference.



© Design Engineers, Inc.

PERHAPS an electric clock such as shown at the left, which conforms to the common practice of writing time, may make obsolete the timepieces in use today.

no one group, regardless of any assumption that may be made. When you read beneath the pots and pans on this page "designed by the Engineering Division of the Doehler Die Casting Co.," you read that design has more than its leaders, its names that are sparkling points in results and publicity. You read also that design has its army, and the engineering divisions of many of our major companies are certainly beyond the buck private stage. The old and the new in Riehle testing machines is another example of striking advance in design. And this machinery is not made to appeal to a wide consumer market and pressed up for it. No indeed. It is simply a natural association between an accurate testing machine and the simplicity and fineness of appearance any engineer inherently expects in such machinery.



NORMAN BEL GEDDES



S. DE VAULTIER



GEORGE SWITZER



HENRY DREYFUSS

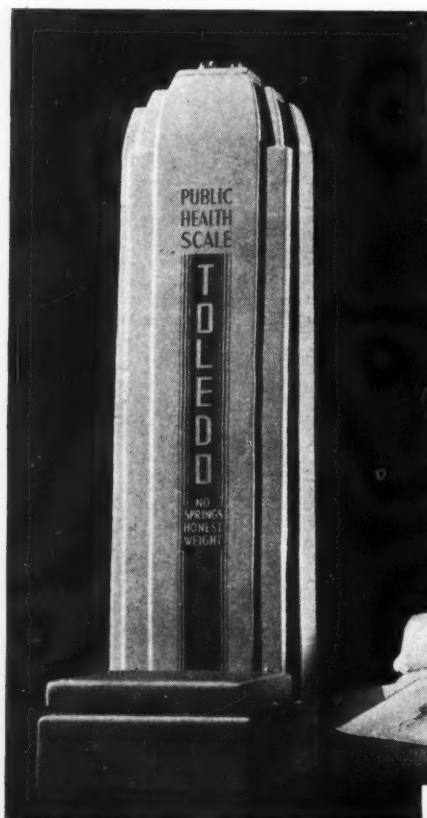
Leading names in the new profession: Consumer Engineers—Design Consultants

As a group, the raw materials manufacturers are fostering design as a major part of their activities. Among them are the New Jersey Zinc Company, the Aluminum Co. of America, the General Plastics Company, Bakelite Corporation, United States Steel Corporation, Youngstown Pressed Steel Company, Toledo Synthetic Products, and the Chase Brass & Copper Company. Good design means new uses, wider applications and a keener appreciation of the materials used. The New Jersey Zinc Company and the Chase Brass & Copper Company have a further incentive. Zinc and copper and brass are household words—in fact too much so. The average homeowner and housewife think of these materials which they have known vaguely since childhood and immediately classify them. And in that classification they stay unless new designs and new uses are brought to the consumers' attention. So these com-

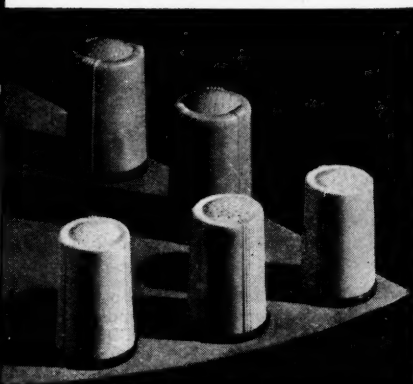
panies are checking any possibilities of being pigeonholed in the public consciousness by showing that the older metals are as versatile as the new.

A fountain pen set designed by George Graff is an apt illustration of where design is leading. Graff knows materials. It happens to be as essential in designing for appearance to know the values of materials as it is in engineering design to know logarithmic tables. Working with this background, he combines simplicity and beauty in design with economy in the sales price of the article. The zinc and synthetic plastic base and the fountain pen, complete, retail for one dollar. Again design takes a high-priced article, moves it out of the exclusive class into the consumer class, and allows it to be sold by Macy and Gimbel, instead of by Tiffany and Modernage.

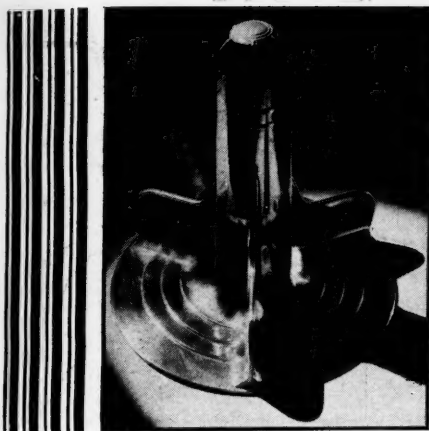
A sane viewpoint on consulting designers is one of the outstanding needs at present. Too much publicity of the wrong kind has led some of the public to believe that almost anything can be accomplished by the group. That "almost anything" runs from ash trays to stage sets, and from houses to ships and locomotives. This



SALT CELLARS and scales—beauty and similarity in the lines of each. The scale outsells the model it succeeded ten to one, and the salt cellars crashed the ten-cent-store market and sell in the hundreds of thousands. Their creators pictured here, Rideout (left) and Van Doren, of Toledo, Ohio, prove that fine design is no God-given province of the larger art center, Manhattan.





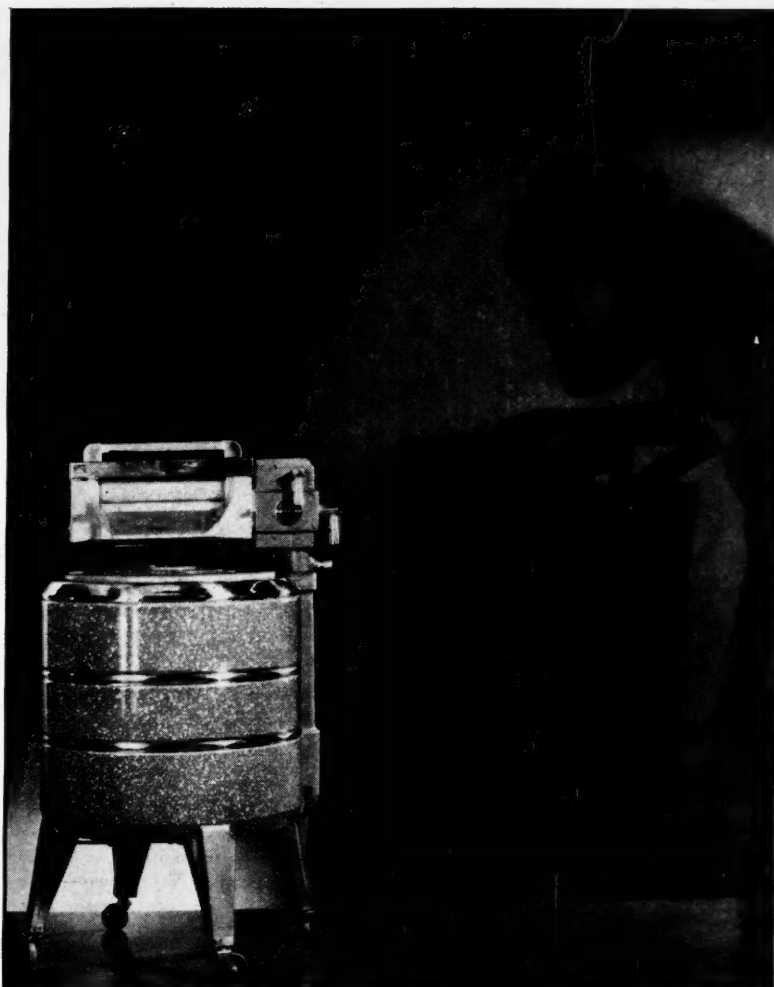


**CENTRALIZED CONTROL**, an idea long in use in the radio and automotive field, is but one feature of this washing machine designed by Henry Dreyfuss for Sears, Roebuck. Even the agitator (pictured above) has been dressed up to make the housewife forget any note of drudgery.

same type of publicity engenders suspicion in the mind of the average conservative manufacturer. And the vast majority of manufacturers are conservative. The happy medium can be reached and is reached in the case of some of the outstanding men mentioned in this article.

It may strike you as strange to read that design for appearance is as largely mathematical as design for utility. Since the manufacturer's methods of processing, the workability of his materials, also the quality of those materials, have strict limits, the designer must appreciate these limits and work within them. This is a general rule and not a proved theorem. Innumerable cases have shown that the newer conception of the "outside" viewpoint has led to the widening of the engineering limitations as well as the functional beauty. But even the tenets of beauty seem to have certain restrictions that in their final essence are as mathematical as today's engineering, according to Diego Rivera, the famous fresco painter.

Modern designers work with their various customers wherever they happen to be. Walter Darwin Teague has his headquarters in New York, and does excellent

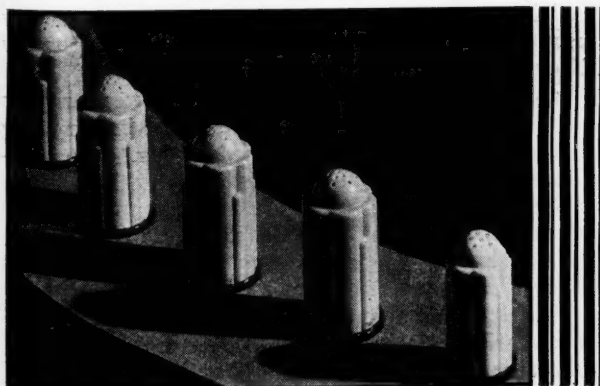


Photograph by Pagano

work in Rochester and Indianapolis. Van Doren and Rideout went to Toledo to work in constant contact with the materials that city affords—synthetic plastics, zinc, and aluminum die castings, glass, and steel castings and stampings. Both centralization and decentralization work well and each has its critics and advocates. Henry Ford predicts the dismantling of his River Rouge plant, and the establishment of complete plants at various economically strategic points.

Regardless of how the ends are achieved, industrial design is here to stay. This year Grand Rapids has gone modern. Macy's, one American barometer, finds its modern furniture department one of the most popular divisions in the store. The chaotic period called "modernistic" seems definitely to have passed. Compare the modern furniture of any shop today with the growing pains produced when this type of thing was a novelty. Housing shows a similar trend and it is wise to remember that the exterior of today—be it house, factory, or public building—forgets the interior of yesterday. With advances so prominent in the public eye, particularly at the World's Fair in Chicago this summer, it is more than ever obvious that design takes on a greater nation-wide significance.

The new demands and creates the new. The vast upheaval in stoves, refrigerators, cars, homes, offices, and materials is all a part of the design for living that offers the widest hope for change and replacement. That also means design for *making a living*.



# What Japan's Withdrawal Means

By SAMUEL McCUNE LINDSAY

Footprints  
on the Sands  
of Time



By Fitzpatrick, in the St. Louis Post-Dispatch

ON MARCH 27, 1933, Japan served notice of her intention to withdraw from the League of Nations at the expiration of two years. The notice was served in accordance with the provisions of Article 1, Paragraph 3, of the Covenant, which says: "Any member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations under the Covenant shall have been fulfilled at the time of its withdrawal."

What does this signify for Japan? What is its significance for the League and for the rest of the world? What effect will it have upon the settlement of the issues of war and peace in Manchukuo and the Far East?

Count Uchida's characteristically courteous letter in behalf of the Japanese Government to Sir Eric Drummond, Secretary-General of the League, and the Imperial Rescript, issued at the same time to the Japanese people, gave conclusive evidence that the proposed notice of withdrawal has the highest imperial sanction. It comes after mature deliberation, as the inevitable result of irreconcilable differences of opinion and of principles with respect to the conflicts over Japanese action in dealing with affairs in Manchuria of concern to the peace of the world. It reflects no sign of sudden or ill-tempered resentment of the League's decision that Japanese military measures did not fall within the just limits of self-defense, or furnish the correct means of redress, for the unquestioned violation of Japan's rights under existing international agreements. Neither did the notice contain any threat or note of defiance to either the League or to world opinion.

On the contrary, Japan takes this step with deepest regret. Japan has every desire to cooperate in the advancement of international peace, and not to "isolate itself from the fraternity of nations", to quote one of the happy phrases of the Imperial Rescript. It is not too much to read between the lines an earnest hope that within the two-year period Japan may be able to convince the world of the justice of her cause and find such a solution of her difficulties as may make no longer necessary the remedies which have been condemned. In this event Japan might do what Spain did in 1928. Six months before the expiration of her notice, the Spanish Government in response to an invitation of the Council, decided not to withdraw from the League in accordance with notice served nearly two years before.

It is also possible that when the time for Japan's

withdrawal arrives, the Council may raise some question under the provisos of Article 1, Paragraph 3, as quoted above. There are no precedents. When Brazil and Costa Rica gave notice of withdrawal they took care to see that their dues and assessments were all paid in full to the date of actual withdrawal. No investigation of other arrearages, if any, in international obligations or in obligations under the Covenant, seems to have been made. And no formal ceremony of acceptance of their resignations seems to have taken place on or after the date they became effective. It is hardly likely that the League would wish to coerce an unwilling member to remain. Japan may still continue, both during the period covered by the required notice, and after it becomes effective, to maintain her usual activities in the International Labor Organization. She may continue to cooperate actively in the World Economic Conference, the Disarmament Conference, and other League enterprises. She may make use of the World Court and in other ways play much the same rôle in international affairs that she has done. Her actual withdrawal need not even affect her relations to her mandated territories. By final withdrawal, however, she will sacrifice her charter membership, so to speak, and the permanent seat in the Council which went with it.

AT THE PEACE CONFERENCE in Paris Japan was the first Asiatic power in history to be received into the inner circle of western world-diplomacy. There, in the stipulations of the Treaty of Versailles, she received every honor as one of the Five Great Powers. This marked a turning point in the history of Japan and opened up new vistas and possibilities of future power. She was not slow to build on this foundation a model structure of what membership in the League may mean in prestige and influence if you are willing to pay the price necessary to support the position.

Japan did this willingly. For thirteen years she has given freely of her money and hard work in everything that occidental etiquette required of her. She maintained two complete and well-equipped establishments in Geneva—one a delegation to the League, and also one to the International Labor Organization. She lavished both service and money on the common tasks of the League, and honorably won the high place she held in its leadership and councils. When her hour of crisis arrived in that fateful September of 1931, she unfortunately failed to use the (Continued on page 53)

# America Returns to the Soil

By DONALD WILHELM

**OUR PAY ROLL PIONEERS are digging in while waiting for industry to revive. A new America is in the making.**

**T**HE GREATEST RETREAT in all of the war-time or peace-time history of the United States is now taking place. People—all manner of people in all manner of conveyances with all manner of ideas about farming—are bolting from our cities in a veritable land-rush. Our two-decade trek toward the city has stopped. The trek landward, especially to small plots within automobile reach of industrial cities and towns, beginning well before 1930, has already restored our rural population to its 1910 peak, and it is still going on apace. Through all of three bitter years this exodus has proceeded at an average rate of 100,000 a month. Today, with Spring in the air, this retreat has become a headlong rout packed full of meaning to our industrial leaders, our agricultural population, realtors, and even President Roosevelt.

Everywhere land values are feeling at least some stimulation for the first time in the memory of many a discouraged land-owner. Farm real estate agencies report heartening activity, and in many quarters, plenty of walk-in business. In three years our Federal Land Banks, which write fully one-eighth of all our farm mortgages, have found 8000 responsible and experienced buyers of repossessed farms. Insurance companies agree that the demand for farms is rapidly increasing. In New York state, county agents report to Albany a new interest in farms. In New Jersey and in New England the same conditions hold. From the south and the west, seemingly from all of the far reaches of the United States, all manner of Americans, including many who from experience know the comparative security of farm life but answered to the lure of city wages and comforts when land values were high, are moving about, eager to rent or to buy. In many instances they are ready to trade their last assets for a piece of land. Already a large part of the 200,000 farms deserted during the five years between 1925 and 1930 are reoccupied. And meanwhile a phenomenon long familiar to motorists but first noted in terms of census figures in 1930, has risen to floodtide.

Long since, the passing throng has observed a new kind of intermediate civilization, neither urban nor yet agricultural, springing up hard by main traffic routes. It has been urban in its wayside stands, tea-rooms and restaurants, inns, gas stations, cottages, cabins and other shelters, and agricultural in its gardens, chickens and perhaps a cow. There were ever-increasing numbers of these one-acre folk before the depression. Along some main highways one could count literally hundreds of their domiciles to the mile. There are many more now, not only along highways, but almost everywhere—on lands provided by our manufacturing industries and utilities, on leaseholds provided to men

on furlough, and to others by our railroads. These new settlers are taking over marginal tracts in the Appalachians, along river-bottoms, beside swamps and near rural villages and towns rapidly gaining in importance as industrial centers. They are pay-roll pioneers—most of the men of the families constituting this ground-swell. They are men of all nationalities, of all trades, industrial workers and other folk afraid of being any longer city-pent. They are men who are anxiously helping their women-folk establish all manner of home industries such as prevailed before the day of our industrial era. Meanwhile, they have an eye to the chance of picking up a day's work while awaiting the time when a greater number of the wheels of our industries will turn again. In all of the three counties surrounding Detroit, for example, there is scarcely an available plot of land left. On a half-acre near Mr. Ford's Dearborn plant, I talked recently to a young graduate of the University of Michigan who explained to me both the logic and the philosophy of his new mode of life. He spoke, so it seemed to me, for thousands of others.

"I like my five to seven dollars a day," he said, "but we don't intend to be caught again. It was my wife—smart girl—who saw the handwriting on the wall two years ago when the baby was on its way. She was a private secretary. I was punching the time clock and working on the assembly line over there. We bolted out here from an apartment in Detroit, got this half-acre with a cottage on it, opened the tea-room, made a garden, bought some chickens. Here we are; for good, too. We're safe. The baby is better off. Nothing can hurt us now except sickness."

**L**IKE THIS FAMILY literally millions have turned to the land, to build cottages, tar-paper shacks or other shelters on it, and to wrest subsistence from it. In Texas and several other states this migration is creating a difficult social problem. There the families are seeking real farms of twenty acres or more. The migration means an overcrowding of rural schools and the dumping of a severe burden on the established farmers when the poorly equipped newcomers run out of funds or illness overtakes them. The whole situation is an indictment of the opportunistic trait of our people. It points to an embarrassing lack of a constructive and controlling land-settlement policy. This movement to the farms, this new working of idle or marginal lands, can be considered a blessing only when the colonists are experienced farmers whose adaptivity and willingness to work intelligently for themselves and others promises subsistence and survival, no matter to what low levels the farm commodity prices may sink. But part-time or subsistence farming is another story.

There are few if any sound arguments against such subsistence farming. Many industries, the United States Steel Corporation and the International Harvester Company, for example, have advocated it



heartily for many years. Today we find nearly all of our states, communities, and industries strongly encouraging it by providing part or all of the cost of seeds and tools and, in a few instances, helping hand-picked men to acquire farms. School children are urged to attempt back-yard gardening. We are told that even one-fiftieth of an acre intelligently worked will provide vegetables for a family of six. Thus it becomes self-evident that home gardening, desirable even in a time of nation-wide prosperity, quickly assumes the importance of a panacea during a major depression.

**D**URING THE HEY-DAY of prosperity, as the census of 1930 first demonstrated, we became in majority urban—we who have more land per capita, nearly three times more, than the English, Germans, French or Italians. Our cities grew vertically. Our skyscrapers having ascended to the point of diminishing returns, are now, as it were, being sheared off.

In Colonial times we were almost wholly agricultural. Home industries were almost our only industries. Save for the muscle-power of man and beast the history of power records only a few water wheels, principally in New England. Around these sites grew our first industrial towns and cities. Then came steam power, which is not transportable, and finally electrical power which can be carried great distances. With this development the need vanished for locating industries near such sources of cheap power as waterfalls. It led naturally to the rediscovery of small towns as ideal factory sites. Now a more compelling reason than cheap electrical power enters the picture. It is the economic situation of the workers (rather than the mill owners) that is dictating the decentralization of American industry. We may well thank the depression for this transition, harsh though it be. This sociological trend has assumed the proportions of a tidal wave.

Our cities perforce are being drained, fortunately in many respects, both in the immediate and the long-haul view. It is estimated by authorities that there are 10,000,000 unemployed in our cities. It is common knowledge that industries which have survived the trough of this depression have done so only through the most drastic hewing away of every conceivable surplusage of effort. Perhaps this efficiency lesson has been learned too well, for authorities agree that even if our industries forthwith hit their 1929 stride, there would still be 3,000,000 or more unemployed.

Nearly all of our cities and most of our states are sadly harassed financially and the demands for relief have not ceased mounting. While legislatures ponder over voting funds for direct aid, we look about to find that already the Reconstruction Finance Corporation's funds are, by distribution among the states, helping in the support of 4,000,000 of our 30,000,000 families. Illinois has exhausted its quota on such R. F. C. funds; Pennsylvania has nearly exhausted its allowance. Look at the relief record in New York state. No taxpayer state funds were available for relief before December, 1931, yet in that month \$2,000,000 was required. Compare that with December, 1932, when \$8,000,000 was required, and with March, 1933, when more than \$10,000,000 was needed. And this sum was exclusive of private and community philanthropy which in New York City alone is providing for more than 800,000, with new applications mounting at the rate of more than 2,500 a day.

Hence this ground-swell of migration. Land and a shelter on it represent the only conceivable relief with a semblance of permanence. Accordingly every alert community is these days striving to get its people back, on some part- or whole-time basis, to the good earth. Literally thousands of industries, reports indicate, are lending a hand. As this is written United States Senator J. H. Bankhead has introduced a bill to provide \$400,000,000 to encourage and facilitate this unprecedented land rush. To Senator Bankhead and apparently to all other students of the problem, the migration appears to be not only inevitable but desirable. Franklin D. Roosevelt publicly endorsed such subsistence or part-time farming before his election and now, as President and agricultural dictator, he must view this migration on the part of our industrial population as highly significant and historically momentous.

Our professional farmers, so far as I can ascertain, do not resent this kind of gardening although reports from many parts of the country indicate that they complain of additional burdens upon farming as an industry. In general they prefer almost any recourse to the land instead of further taxation in the name of relief. And they do relish the slight increase in demand for farm realty, the first in many a day and year.

In some degree also they welcome the availability of cheap farm labor which the city took from them when their need was greatest—when there were insatiable markets here and abroad for all that they could produce. Cheap labor is now back with them along with numberless poor city relatives and returning prodigals.

They judge that so soon as industry finds its stride again, many more or less unwelcome guests will gravitate toward industrial centers. Since crops cannot be produced in a day, and as most part-time farmers seek subsistence only, such disturbance as they cause in local markets has the promise of being temporary. Therefore our professional farmers, with the possible exception of those producing truck products for nearby city use, seem ready enough "to share." Moreover they sensibly realize that neither they nor the rest of us nor our industries themselves can thrive until many Americans have found ways and means to surmount their own helplessness and to manifest their power to buy.

**W**HATEVER OUR OPINION, the fact is that the greatest retreat to the land in our history is going on apace. For better or worse it is populating in a more healthful fashion the areas around our industrial centers, and is giving millions a new outlook and way of living. If the depression is prolonged, such folk will be better off if they have a humble roof over their heads and a cellar or closet reserve of food.

"With all its destruction," the head of one of our greatest industries recently said to me, "the depression will not have been wholly in vain if the drift to the cities has been checked and reversed; if more Americans have learned to love the soil and found thereon, even on a half-acre plot, not only a refuge but also some measure of security. No apartment is a fit home for a family. To my notion even a log cabin or a tarpaper shack close to the soil may be better. Besides, mighty few Americans will be content with such shacks for long. As a matter of fact, thanks to the depression, I look for the greatest increase in home building we have ever seen just as soon as the air has cleared and the depression is gone, but not forgotten."

# Shifting Bureaus at Washington

Bringing Related Federal Agencies Together Requires Careful Planning

By **FREDERIC A. DELANO**

President of the American Civic Association

**E**CONOMY, efficiency, accomplishment—these are always desirable goals, and the emphasis of the moment is upon economy. With economy in view the public interest naturally is roused by the suggestion for reorganization of federal government agencies. At the beginning of every administration the question of regrouping government bureaus, so that those logically related will fall under a single department head, comes up. What can actually be saved the taxpayer by such changes? And what are some of the arguments for and against regrouping this year?

Shifting of bureaus from one department to another in general saves little money. At best, the result is increased efficiency in the bureaus. At worst, expense is multiplied and accomplishment retarded or reduced. To understand the reason for this it is necessary to look into the factors surrounding the placing or replacing of any federal agency.

Of first consideration is the subject of obtaining appropriations for running expenses. Appropriations are requested by the Secretary of the Department to which the bureau is attached. They must hurdle the Bureau of the Budget and both houses of Congress before they

are returned to the President for approval. The location of each bureau determines the committees in Congress which consider its affairs and the subcommittees of the appropriations committees which grant its funds. The bureau chiefs become accustomed to the Congressional Committees with which they have to work, and the committees grow familiar with the needs of a bureau. Hence both the bureau and the committees in Congress may fight change.

Another serious obstacle to change is the great clientele of each bureau. Everyone knows about the embattled farmer and the farm vote. Not so many citizens realize that there are organized groups who keep in touch with most of the bureaus and stand ready to resist any change not advocated by them.

Shifting of a bureau is also bound to disturb the personnel. Bureau chiefs and staff lose enthusiasm in the face of uncertainty, and efficiency is apt to suffer temporarily or permanently.

With these things in mind it would seem best to hold bureau shifting to a minimum. When large saving from reorganization is necessary, it is probably better to examine the functions of government with an eye to weeding out those which are no longer indispensable to the public welfare, and to eliminate or curtail these agencies. The careful study required to discover possible economies is not the simple task of a temporary scene-shifter. It calls for the services of an experienced person or committee close to the President, and charged with more or less permanent responsibility. Possibly a Planning Board with powers similar to those of the War Policies Board during the Great War, or a Planning Director, might be designated. Such a director should be skilled in the theories and practices of government, and, even more important, should be familiar with planning technique. He would find it his duty to coordinate functions of government, to determine priorities of projects and to work with the budgeting machinery. He would watch closely the effect of changing social and economic conditions which might call for reorganization or elimination of some agencies.

In 1933, the Planning Director would undoubtedly find at least one set of department changes indicated historically and practically. The founders of the Republic, in setting up the Federal Departments, named a Department of State, thinking that it would serve in part as a Foreign Office and a Home Department. But the illustrious first Secretary of State, Thomas Jefferson, was more interested in international than domestic affairs, and desired to be relieved of home duties so far as was possible. As new bureaus were established they were allocated to one or another of the original departments—Treasury, State, War, or Navy. Time passed and the need for a division in charge of the internal affairs became more (Continued on page 56)

## DEPARTMENT OF THE INTERIOR (Proposed Reorganization)

Assistant Secretary of National Resources (or Conservation, or Lands and Waters)	Assistant Secretary of Public Works	Assistant Secretary of Education and Health
National Park Service* Bureau of Indian Affairs* (Lands) General Land Office* (public domain) Reclamation Service* (custody of lands and waters) Geological Survey* (incl. research and conservation function of Bureau of Mines) <sup>1</sup> Bureau of Fisheries (conservation functions) <sup>1</sup> Bureau of Insular and Territorial Affairs — Alaska — Hawaii — Virgin Islands — Puerto Rico — Panama Canal and Philippines.	U. S. Bureau of Public Roads <sup>2</sup> Office of Supervising Architect <sup>3</sup> Reclamation Service (planning and construction) Public Buildings <sup>4</sup>	Office of Education* Public Health Service <sup>3</sup> Bureau of Indian Affairs* and Board of Indian Commissioners (education) Institutions: St. Elizabeth's Hospital* Freedman's Hospital. Certain duties to: Howard University*; Columbia Institution for the Deaf*

\*Already in the Department of the Interior.

<sup>1</sup> From the Department of Commerce. Bureau of Mines, formerly in the Department of the Interior, might be returned and possibly consolidated with the Geological Survey. The Bureau of Fisheries may be found to need sufficient conservation emphasis to dictate transfer to Interior.

<sup>2</sup> From Department of Agriculture. Roads serve urban as well as rural populations.

<sup>3</sup> From Department of Treasury.

<sup>4</sup> From Independent Establishment Public Buildings and Public Parks.



# Back to Barter

By MARLISE JOHNSTON

VICTORIAN typewriter	= blue suit.
Cottage organ	= shoes for six.
Two pairs of trousers	= bread and sausage.
One mural painting	= one case of gin.
A cord of firewood	= a course of music lessons.
45,000 bushels of corn	= telephone services for a community.

**T**HESE EQUATIONS are not madness, nor a new theory of relativity. They are barter in its simplest form, examples of actual business transactions that have taken place in this country of late. Approximately a million people are going back to the principles of their childhood, to those annual spring marble-swapping days when ten megs were traded after careful thought for one favorite aggie.

Barter as practised today is a direct offshoot of unemployment. It is an answer to the riddle asked on all sides—Why must people go without the necessities of life when there is more than enough to go around? Why cannot men who want to work and who need material things get together with producers who need workers and have a surplus of produce? The *old* answer had been that there was no money to oil the wheels of the exchange. The *new* answer is that there is no real reason why they should not get together, and every reason why they should. And so they do. They are going back to elementals, exchanging what they have for what they want, without benefit of money.

About one-twelfth of the unemployed in America are subsisting on barter and finding it not so bad. One hundred and fifty ways to live without money are being practised in as many different communities in twenty-nine states. The movement is still spreading rapidly, and if the depression continues many more of us may be working for corn meal, or going to the movies on home baked loaves of bread. In New York City, during the recent bank holiday and consequent cash shortage, patrons paid their way into a fighting bout with such media as fish, noodles, razor-blades, nightgowns, and one copy of the New Testament.

It is primitive, it is inconvenient, it won't last, so many economists say. But for the present it is doing its work and contributing valuably to the alleviation of suffering. It protects the pride of many who would otherwise be in the breadlines or on the dreaded dole.

Most of the barter exchanges started without money substitutes, but tokens were soon introduced to facilitate trade and to put the business on a sound basis. Often exchanges are forced into a premature red-ink stage by advancing goods to needy patrons in return for white elephants which never can be used. When 45,000 people patronize one exchange as they are doing, it is impossible to look up blue suits for everyone willing to dispose of a Victorian typewriter, or to discover a person who wants to take oboe lessons and at the same time is desirous of getting rid of excess firewood.

Barter scrip is the by-product of barter exchanges. In practically all the large barter groups it is now used

as the medium of exchange. Back of such scrip stand the fundamentals of wealth (labor and produce) but not wealth itself as we are accustomed to think of it. One barter group has two cans of chili-con-carne behind every dime's worth of scrip; another has 800 barrels of sauerkraut as part of its collateral. Once the system is started, it gathers momentum and expands. Workers register; stores, factories, doctors, dentists, cobblers, and cleaners are asked to take scrip in payment for their wares or services. Even bootleggers have gone on record as being willing to cooperate.

There are many different kinds of barter scrip doing the work of greenbacks and taking the place of the almighty dollar. Some community issues are on parchment; others are printed on thin slices of wood; some must be stamped and some have a time limit on their value. Numismatists have been buying many of them as curios. The Chase National Bank Collection of Moneys, down in the shadow of Wall Street, has an excellent assortment of 1933 scrip from all parts of the country. A person could become morbid, philosophical, or gay, according to his temperament, after spending an afternoon looking at this collection of moneys from the year 3000 B. C. up to the latest American additions of barter tokens and scrip. Along with jiggers of whisky, red-headed woodpecker scalps, hunks of amber, rock salt and other kinds of "Commodity Money", are the large-size bills that were retired in 1929, the old Southern "Dixies", and 1933 "depression dollars", the stage money which is keeping men and their families well fed and courageous.

There are cooperation checks from South Bend, "Eirma money" from Evanston, Ill., and Tenino's attractive slices of red cedar, which may look like wood to the rest of the world but which mean food and drink in Tenino, Washington. Yellow Springs tokens are decorative pieces of parchment, printed in orange, red, and yellow. Hawarden's scrip is stamped on the back with a five-year-limit warning.

**S**CRIP is handled in different ways in different parts of the country. Certain cities have become classics in all conversations dealing with barter.

One of the best known is Yellow Springs, Ohio, home of Antioch College, which has long been engaged in barter of an indirect kind. The students—even before depression—work six weeks in shops and trades, as part of their college course, and then attend classes for six weeks. Their work pays for their education. This system has in the past been studied by educators, as its barter exchange is now being studied by economists. The Yellow Springs Exchange, a non-profit corporation, resembles a general store. Canned goods line the shelves, new and second-hand clothing hangs on the racks. The scrip used is backed up by foodstuffs which in many cases are put up by members.

Mid West Exchange, likewise Antioch directed, is a



big sister of the general store. It engages in Big Business barter. By a series of a dozen interlocking transactions, it was able to secure \$10,000 worth of coal for a rubber company in return for \$10,000 worth of tires for different members. Research work was traded to a soap factory for soap. The soap was traded to farmers for their produce. President Morgan of Antioch College, director of the group, sees the possibility of a national system of barter with inter-state swapping on a large scale. If this works out it will obviate much of the inconvenience caused by the limited scope of community barter.

**S**ALT LAKE CITY has had a form of barter for many years, which the Mormon Church has used in connection with its tithing. Its present form, under the name of the Natural Development Association, has been extremely successful. The N. D. A. has 5000 members and takes care of more than \$20,000 worth of business a month. Among other things, it has a canning factory, an oil refinery, a tannery, a coal mine, and a sewing department. Cooperation has been elevated to a fine art. Even the railroads, thorn in the flesh of some other exchanges, will take N. D. A. scrip. A 20 per cent. tax on the scrip pays for the running expenses and salaries of the workers. These salaries are about \$20 a week for officials and laborers alike. Mr. Woodruff, director of the enterprise, has said: "We deal at present in perhaps 10 per cent. of what we need." People who have watched this grow believe that if the quota can be raised, Utah will do it.

Hawarden has been getting more publicity than Hollywood lately. It is a little town in Iowa of 1600 persons, unusually successful with its barter plan. Like the two other places mentioned, it had good assets to start with. For a year it has had no city taxes; municipal utilities have paid for everything. The Hawarden plan of issuing stamped money has been made the basis of a bill introduced into the Iowa Legislature, and has been adapted to the uses of 150 towns and cities in six states. Charles Zylstra, originator of the idea, was elected to the Legislature on the strength of the early popularity of the scheme. Unemployment has been decreased and citizens have had to pay out less for the needy than they did last year. This alone should give Hawarden a place in the Hall of Fame. The first issue of scrip was for only \$300. But each piece goes through 36 transactions, as it changes hands and collects the stamps which are equivalent to a sales tax, so that the original \$300 really amounted to \$10,800. The stamps pay for the cost of production. As no change is given, people spend more to make their purchases come out even.

Seattle, Washington, has two rules for membership in its barter group. You must be out of a job. You must be willing to work for yourself and your fellow members. Every one must do the kind of work assigned. Every one receives the same amount of pay; the equivalent of fifty cents an hour, in food, clothing, and services. Fifty thousand persons are dependent on this Unemployed Citizens' League for their livelihood. They have formed a political party strong enough to influence the city government. The U. C. L. is indeed a powerful organization, occasionally bursting into radicalism. The League goes after what it wants, and what it can not get it demands. Pressure is brought to bear, and milder forms of coercion now and again. It

has filled a need in Seattle and contributed much; but it is not entirely a source of pride to the city at large.

Minneapolis has a large group of barter workers, headed by the Rev. Mr. Mecklenburg. Their scrip is backed by real property. Los Angeles and San Francisco have exchanges which work directly with the farmers, bartering labor for food. The Dayton Mutual Exchange has made history, as have the groups in Houston, Texas. There the jobless will not work for money and they are forbidden to figure it in on their calculations. Forty-five thousand persons in Denver have barter to thank for their food, clothing, and shelter. Knoxville is using scrip for its city payrolls. In some Southern colleges, girls and boys are dealing in direct barter to pay for tuition, exchanging pigs for Latin and cows for chemistry.

The governments of America and Brazil have bartered grain for coffee; Russia and Canada have gotten together in a deal exchanging oil for metal, involving \$1,000,000 though not a penny has changed hands.

New York City has seven barter groups, banded together under the supervision of the Emergency Exchange Association. The total list of members is 1200, a comparatively small percentage considering the 45,000 members in Denver. It is difficult to get cooperation, which is the breath of barter, in a place the size of New York. City slickers do not trust each other implicitly, and the farmers who bring in their wares do not trust the city folk. A group organization in the famous Greenwich Village section is perhaps as successful as any. Merchants in that part of town, accustomed to the strange ways of imitation Bohemians over a long period of years, are more responsive to new ideas.

**S**HOW PEOPLE, stevedores, soda clerks, lion tamers, and deep-sea divers are enrolled in this group. Merchants who will take scrip for food, clothing, cleaning, books, and bread have been entered on the list. This exchange is responsible for the suggestion by a bootlegger that an artist paint a mural on the wall of his cordial shop in return for a case of gin. The deal was not completed, for three reasons: the exchange has no facilities for testing gin; the artist needed food; he probably had access to gin anyway. But the story indicates to what lengths a person with a fertile imagination will go, when he gets to thinking about filling his needs by barter.

The Emergency Exchange Association, in New York City, is a kind of national clearing house for barter groups. It hopes to promote Big Business barter and to encourage the unemployed to work for themselves and to make things out of raw materials in return for other things they need.

The principle of Barter-1933 is that people should work for themselves, for each other, and for a common good. It contains the nucleus of an interesting new social attitude. It has proved successful in many instances, in relieving want and poverty. It has done much to bolster up the morale of the unwilling idle. From a practical standpoint, it does not furnish a really decent living, nor any of the luxuries of life. Several exchanges have made provisions for radio music in the homes of the unemployed. By and large, however, it is the essentials of life that are furnished. Barter has not yet advanced to the stage where a person can easily secure custom-made riding boots, or a black caracul coat, size sixteen.

# Who Finances the College Student?

By EDWIN OSGOOD GROVER

Professor of Books, Rollins College

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**SHOULD ENDOWMENTS** pay for educating the sons of prosperous citizens? "No", says Rollins College, and offers a better plan.  
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**T**HERE WERE MORE than 1,000,000 students enrolled in our institutions of higher learning last year. The educational bill for these colleges, universities, and technical schools amounted to more than \$500,000,000. Who pays this bill?

In state-supported institutions the taxpayers pay the cost of instruction while the students pay for their room and board. In privately endowed colleges the individual students pay for their room and board, but the tuition fee charged is usually less than half of the actual cost of instruction. The remainder is made up from the income of the accumulated endowment funds.

Take, for example, Washington and Lee University at Lexington, Virginia, a typical southern institution. According to Mr. Penick, the treasurer, it costs \$10.52 a day to educate each student. After deducting the amount of tuition paid, there is an actual annual loss of \$136.31 per student enrolled. This loss is made up from the income from the endowment fund, which has been accumulating since 1797 when George Washington donated \$50,000 to the University. In the small college it is usually estimated that tuition provides 45 per cent., and the endowment 55 per cent., of the total expense.

A large portion of the funds making up college endowments was given when nine out of every ten college graduates entered the so-called learned professions, such as the ministry, medicine, or teaching. In these it was known that the personal financial rewards were relatively small and the gains to society relatively large. Endowment funds were solicited to enable worthy but poor students to complete their education so that they might be of larger usefulness in these professions.

With shifting conditions in our industrial and social life the situation in our colleges has changed radically. Today it is probably nearer the truth to say that nine out of ten of all college graduates go into business. The result is that income from endowment funds, donated for a particular purpose, is being used to reduce the cost of education for the sons and daughters of prosperous business men, who are able and willing to pay the actual cost of educating their children. In general colleges have seemed adverse to facing the new financial situation frankly. However, Rollins College, at Winter Park, Florida, has evolved a financial system for today.

This new plan has been worked out for the purpose of equalizing opportunity for all students, and of distributing the cost of operating the college more equitably. Such a scheme has been recommended for some time past by the officers of the General Education

Board of the Rockefeller Foundation and other educational experts. Recently the executive committee of the Board of Trustees of Rollins College, acting on the recommendation of President Hamilton Holt, voted to adopt what may be called a "Unit-Cost Plan". The plan will be effective for all new students entering the college in September, 1933.

Under it separate charges will not be made for tuition, board, and room. Instead each student will be expected to pay in two instalments the sum of \$1350, which represents one unit cost of the annual expense of operating the College on its present basis of efficiency, and with its present student body which is limited to 500. So far as known, Rollins is the first college to ask all of its students, who are financially able to do so, to pay the actual cost of their education. In brief, the "Unit-Cost Plan" works as follows:

It budgets the operating expense of the College on an adequate but not an extravagant basis.

It divides the annual operating expenses by the estimated student enrolment, not exceeding 500.

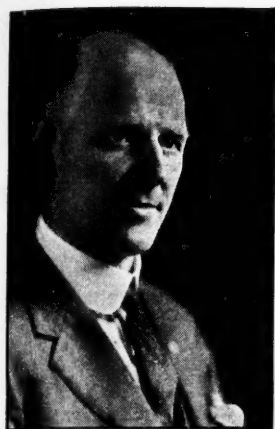
It then fixes the charge for the individual student as one unit cost of the total, which it is calculated will be \$1350 for the next academic year.

**T**HUS it releases income from Rollins' present endowment, approximately \$60,000 a year, for use in reducing the tuition of those worthy and desirable students who cannot afford to pay the total cost of their education. This will mean a very large increase in the amount of money available for scholarship purposes. Incidentally the plan restores such funds to the purpose for which they were originally given, namely, assisting worthy and ambitious students to secure an education, rather than reducing the cost of education to all students, rich and poor alike.

It may be argued that this new Unit-Cost Plan will tend to make Rollins a rich man's college. As a matter of fact it is believed that under the new plan the average student expenditure at Rollins will not exceed that at most of the liberal arts institutions in the north.

There are other and equally important advantages that result from the Unit-Cost Plan. Heretofore, if an academic student wished to take courses in the Rollins Conservatory of Music, an additional fee was charged. Under the new plan, any student on the campus may take advantage of every opportunity the college offers without extra charge, whether he selects courses in the College proper, the Conservatory of Music, or the Art School. Too often in the past these cultural advantages have been made available to the select few, at a relatively high cost. This equalization of opportunity should increase Rollins' reputation as a cultural college—a college that aims to train its students not merely to earn a living but to live, and to utilize their increasing leisure to make their lives richer and of larger service to their country and to the world.





TWO Educational Leaders: John J. Tigert (above), president of The University of Florida, and Hamilton Holt (right), president of Rollins College.



Harris & Ewing

# The University's Place in the State

By DR. JOHN J. TIGERT

President of the University of Florida

and industry. Their importance in the life of each state is well exemplified by the work of the University of Florida.

A little more than a quarter of a century ago there were a half dozen state-supported schools of higher learning in Florida. Then the Legislature wisely consolidated these institutions, with the result that today the University of Florida, the Florida State College for Women, and the Negro Agricultural and Mechanical College, under the direction of a single board of five members serve the higher educational requirements of the entire state.

The University is a combined state university and land-grant college. The College of Arts and Sciences, which dates back to 1852 when the East Florida Seminary was established, is the backbone of the institution. It provides general cultural opportunities and training for those students who are preparing to enter the professions and technical vocations. Colleges of Law, Education, Engineering, Agriculture, and Business Administration are found at Gainesville. Two years of pre-medical training are offered, but there is no medical or dental college in Florida.

Practically the entire program of research work—which is fundamental to the economic and social progress of the state—is being carried on at the University. The formal organization of this work includes the Agricultural Experiment Stations, the Engineering Experiment Station, and the Bureau of Economic Research. In addition, there are activities in connection with scientific departments of the University which are essential to the maintenance and development of sanitation, water supply, and naval stores.

The most important of these research activities is the work of the Agricultural Experiment Stations. Agriculture and citrus growing are vitally important in the life of Florida. Because of the peculiar conditions of climate and soil many special problems arise.

The absence of freezing temperatures and other allied causes make Florida peculiarly susceptible to invasion of pests and plant diseases. Experience in agriculture in other sections of the country is no guide to success under these conditions. Consequently, continuous research is essential not only to the development, but to the preservation of the agricultural industry. Through its Experiment Stations and other research activities, the University of Florida is contributing annually more than \$25,000,000 to the economic structure of the state.

Other state colleges are rendering similar services. In all, a recent survey by the United States Bureau of Education found that these institutions are contributing more than a billion dollars annually to the economic structures of the nation. (Continued on page 52)

**T**HE REDUCTION of burdens of taxation and costs of government is imperative. No sane man would undertake to deny this. In the urgency of the moment for a speedy balancing of budgets, however, we are in danger of making false economies and grave mistakes. The educational machinery of the nation may be unwittingly damaged, with consequences that may not be realized immediately. Publicly supported schools are in greater peril than privately endowed institutions. Already several state colleges of higher learning have been practically scuttled.

The budget of a business activity can be adjusted from year to year and the effects are readily apparent. The destruction wrought in our economic, social, and political life by crippling public education, particularly our state universities and land-grant colleges, will not be fully realized for a period of years, or even a generation. Upon these institutions rests the responsibility of providing traditional culture, of developing and conserving the economic structure of the country through the promotion of agriculture and industry, and of offering professional leadership and training for the citizen of to-morrow. They have been largely responsible for the translation into action of the Democratic ideal which spells "equal opportunity for all."

The state universities and colleges are agents of public progress. The land-grant colleges, which are combined with the state universities in about half the states, were brought into existence to meet a national emergency. When Civil War threatened the Union, there rose the danger of shortage in trained man-power, food supplies, and necessary materials to furnish the sinews of successful warfare. Determined to provide against any future peril of this kind, Abraham Lincoln signed the Morrill Act on July 2, 1862. This bill provided for a national system of institutions of higher learning, which would not only offer the traditional classical education, but would supplement it with courses in agriculture, mechanic arts, and military training.

The war ended and the Union was preserved. Immediately the institutions thus established began to function as instruments of pioneering and for the scientific application of research to problems of agriculture



# State Action on Repeal

**A**MENDMENTS to the Constitution seem to come in waves. There had been none for more than sixty years when the Civil War added three. Then there were none for more than forty years, until the year 1913 saw the ratification of two. One of these legalized the now familiar income tax; the other took the election of Senators out of the hands of legislatures and placed it in the hands of the people. The year 1920 witnessed two more amendments, one prohibiting the manufacture, sale, or transportation of intoxicating liquors, and the other extending the suffrage to women.

This year 1933 may similarly be marked by the addition of two amendments to the Constitution of the United States. One of these, the Twentieth Amendment, has already completed its round of the states, and was proclaimed in effect on February 6. Known as the "Lame Duck" amendment, it advances the date of the assembling of Congress to January 3 in each year, and sets the quadrennial inauguration of a President for January 20.

What may be the Twenty-first Amendment is now before the states. It is unique in two features: It makes use, for the first time, of the method of ratification by state conventions—that is, by the people themselves—rather than by legislatures; and its chief function is the repeal of an earlier amendment.

Congress proposed this repeal amendment in February of this year—the Senate acting 63 to 23 on February 16, the House four days later by vote of 289 to 121. The first states to work out a method of ratification by conventions were Michigan and Wisconsin.

● ● MICHIGAN voted on April 3. The people went to the polls to select 100 delegates, chosen by districts, each of whom was known to be for or against the proposed amendment, for or against repeal of prohibition. Seventeen of these delegates represented the city of Detroit. One week later (April 10) the successful delegates met in state convention, voting 99 to 1 in confirmation of the voters' mandate and in approval of this repeal amendment. Michigan thus became the first state to ratify.

Wisconsin voted on April 4. Here the process was simpler. The voters were permitted to choose between two lists of fifteen delegates each, one list being Wet and the other Dry. Throughout the state the lists were the same, a state-wide ballot rather than a district one. A simple majority of the popular vote would have made the convention which met on April 25 either Wet or Dry, either for or against repeal. As it happened, however, the voters of Wisconsin showed a preference for the Wet list of delegates by something like 5 to 1. In Milwaukee the vote was nearer 12 to 1. Thus Wisconsin became the second state to ratify, by the unanimous action of this "convention" of fifteen delegates on April 25.

It is fair to add that these first repeal victories, in Michigan and Wisconsin, had been foreshadowed by referenda in recent years which repealed local liquor enforcement laws.

● ● FOUR STATES are to vote on the repeal amendment in May: Rhode Island on the 1st; New Jersey on the 16th;

## WILL THIS BE THE TWENTY-FIRST AMENDMENT?

Section 1. The Eighteenth Article of Amendment to the Constitution of the United States is hereby repealed.

Section 2. The transportation or importation into any state, territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several states, as provided in the Constitution, within seven years from the date of the submission hereof to the states by the Congress.

Wyoming on the 18th; and New York on the 23rd. The three eastern states are expected to ratify repeal.

New York's ballot will be state-wide, each voter being presented with the same lists of names. But for some reason—perhaps that there might be honors enough to go around among the statesmen—each voter in New York is given the privilege of designating 150 delegates to cast his vote for him in the state convention that will assemble on June 27. He may choose from a list of 150 declared Wets, from a similar list of Drys, and (in the event that he has no opinion of his own) from a list of 150 uninstructed candidates. Indeed, if he does not like any of these 450 names printed on the huge ballot, there is a blank column where he may write his own ticket. New York repealed its local enforcement law some years ago, and is looked upon as Wet.

New Jersey will vote on May 16, and a convention will formally express the will of the people on June 5. There are to be 226 delegates—some chosen by legislative districts, others from the state at large.

● ● ALABAMA may be the first southern state to vote on this repeal amendment. Its election has been called for July 11, and its convention will meet on August 15.

California, Indiana, Nevada, and West Virginia will vote in June. Arkansas, Oregon, Tennessee and Alabama (already mentioned) will go to the polls in July. Washington votes in August. Maine, Maryland, Vermont, Minnesota, and New Mexico will hold their elections in September. Ohio will not vote until November.

Most of the other states are still busy with enabling legislation as these lines are written; therefore our list does not claim to be complete. On April 10 the status of the Repeal Amendment was like this:

States ratifying .....	2
Election dates set .....	19
Legislation adopted, no dates set .....	6
Legislation pending .....	13
No vote till 1934 .....	8

Ratification requires favorable action in 36 states. In circumstances where a legislature fails to provide for an election and a convention, the effect is the same as though a negative popular vote were cast. Georgia, Kansas, and North Dakota saw their legislatures adjourn without providing the voters with an opportunity to express their wishes.

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# CARTOONS OF THE MONTH

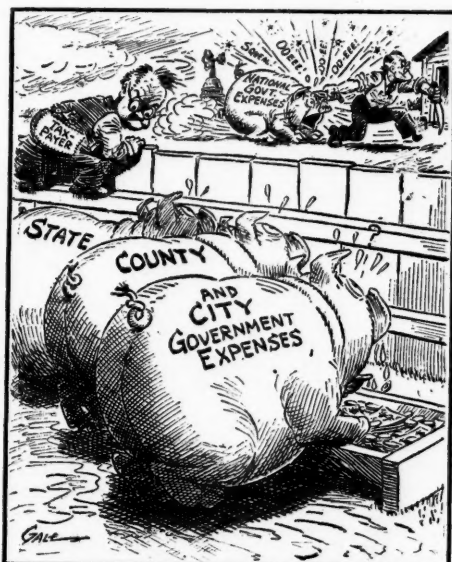


## DRYS: "PASS, FRIEND!"

By Carlisle, in the Des Moines Register.

## POLITICS, THE CLAIM JUMPER

By Kirby, in the New York World-Telegram.



## "SO IT CAN BE DONE, HEY?"

By Gale, in the Los Angeles Times.

## WHAT WERE YOU GOING TO SELL, GENTLEMEN?

By Fitzpatrick, in the St. Louis Post-Dispatch.



## SOMETHING TO KEEP IN MIND

By Hanny, in the Philadelphia Inquirer.

## THE PRESIDENT CALLS A LITTLE CONFERENCE

By Sykes, in the New York Evening Post.



MAY, 1933



**SOMEBODY WILL HAVE TO MOVE OVER**

By Carlisle, in the New York Herald Tribune ©.



**THE MESS CALL FOR HUNGRY DEMOCRACY**

By Hutton, in the Los Angeles Illustrated Daily News.



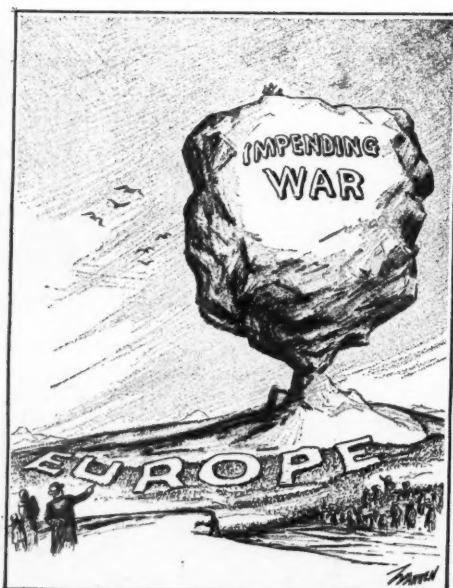
**HE WHO GETS THRESHED—JOHN TAXPAYER**

By Fitzpatrick, in the St. Louis Post-Dispatch.



**BEWARE OF INTemperance**

By Orr, in the Chicago Tribune ©.



**THE ETERNAL MENACE**

By Warren, in the Philadelphia Public Ledger.



**THE PYROMANIAC**

By Kirby, in the New York World-Telegram.



# The March of Events

March 15 to April 12

## The Wet Tide

Beer again . . . No medicinal restriction . . . Michigan and Wisconsin go wet.

**B**EEER'S LONG BATTLE to regain legality is won (March 22) as President Roosevelt signs the Cullen bill. It permits the manufacture, transportation, and sale of beer and wines with an alcoholic content of 3.2 per cent. by weight. Brewers are subject to a \$1,000 federal license fee; and each thirty-one-gallon barrel is taxed \$5 by the federal government. As previously passed by the Senate (March 16) and House (March 21), it prevents shipment into states where the 3.2 beer is prohibited by reenacting parts of the Webb-Kenyon act of 1913.

PRESIDENTIAL approval of the Copeland-Celler medicinal liquor bill (March 31) enables physicians to prescribe unlimited amounts of liquor for patients, and eliminates the necessity of showing prescription records to the Justice Department. Previous regulations had limited each patient to receive not more than one pint in ten days. The Senate passes the bill after only ten minutes of consideration (March 29); the House vote (March 30) is 153 to 59.

WISCONSIN voters go to the polls (April 4) to select fifteen delegates to the state's repeal convention on April 25. In each of the fifteen cases a wet defeats a dry, with wet forces achieving a majority of five to one. (See page 38.)

IN TWENTY-ONE states and the District of Columbia beer flows legally as the Cullen bill goes into effect (April 7). Other states prepare to repeal their prohibition laws in the near future. During the first twenty-four hours of sale, the federal government is estimated to have received \$7,500,000 in taxes on 1,500,000 barrels. In New York alone, retailers pay the city \$250,000 for the privilege of selling the beverage.

MICHIGAN becomes the first state to ratify the proposed Twenty-first, or Repeal, Amendment (April 10) as the hundred delegates to its Constitutional Convention vote wet, 99 to 1. Delegates had been chosen in a state-wide election (April 3).

## Relief

Aid for farmers . . . For holders of farm mortgages . . . For unemployed.

**A** "NEW and untried path" is President Roosevelt's description of emergency farm relief legislation which a special message (March 16) from the Executive urges Congress to approve. Applicable to nine agricultural products, the proposed bill would empower the Secretary of Agriculture to reduce their

production, regulate interstate and foreign trade, and tax first processors. Products affected are: wheat, cotton, corn, hogs, tobacco, cattle, sheep, rice, milk and milk products. The plan is believed capable of raising price levels to those existing between 1909 and 1914. The House later passes the President's bill intact (March 22), and sends it to the Senate for action.

THE SENATE, voting 55 to 17 (March 30), passes the Wagner-Costigan-LaFollette \$500,000,000 relief bill. It provides that a federal emergency relief administrator dispense the fund as direct gifts to states, instead of having them apply to the Reconstruction Finance Corporation for loans. Two-fifths of the total would be apportioned to states on a basis of their present relief expenditures. The rest would be given in cases where need is proved.

PRESIDENT ROOSEVELT signs the forestation work relief bill (March 31) after it is passed by the Senate (March 28) and House (March 29). It follows suggestions contained in a special message to Congress (March 21). A corps of 250,000 unemployed civilians, recruited by the War Department and directed by the Labor Department, will be paid \$30 a month and maintenance for widespread work in forestation and flood control. Instead of making new appropriations to pay and care for the men, the bill provides that money previously appropriated for public works be used.

CONGRESS receives from the Executive (April 3) a special message dealing with farm mortgage relief, and the text of suggested legislation. Federal Land Banks would be permitted to issue \$2,000,000,000 worth of 4 per cent. bonds which they could exchange for mortgages held by private mortgage handlers. The interest on the new bonds would be guaranteed by the Government. On the mortgages which they would receive in exchange for the new bonds, the Land Banks would reduce the interest rates to 4½ per cent., thus affording relief to the farmers. Previously (March 27) Secretary Wallace had issued figures showing that 40 per cent. of the nation's farms are mortgaged for a total of \$8,500,000,000.

\* AN EFFORT to spread existing employment over a greater number of workers is furthered as the Senate passes (April 6) the Black thirty-hour week bill, 53 to 30. Employees of mines, quarries, mills, canneries, factories, or manufacturing establishments could work not more than five days a week and six hours a day if their product is shipped in interstate or foreign commerce. Executives and their assistants, publications, and canneries dealing in perishable goods are exempted. Proof of special conditions would enable the Secretary of Labor to make further exemptions.

## Economy

Savings in government, federal salaries, and veterans' compensation.

**P**RESIDENT ROOSEVELT signs the economy bill which he believes capable of saving the government \$500,000,000 through reductions in federal salaries and veterans' compensation (March 20). The Senate, by a vote of 62 to 13 (March 15), and the House, voting 373 to 19 (March 16), had passed the bill almost exactly as submitted by the Administration.

REORGANIZATION of governmental bureaus begins as the President orders (March 27) the consolidation of the eight federal agricultural credit agencies into the new Federal Credit Administration under the direction of Henry Morgenthau Jr. At the same time the Federal Farm Board is abolished. Recent figures indicate that this Board's efforts to stabilize cotton and grain prices through use of a \$500,000,000 revolving fund had cost the Government \$360,000,000.

ACTING under authority granted him by the economy act, President Roosevelt (March 28) issues an order reducing the pay of all federal employees 15 per cent., effective April 1. Approximately 1,000,000 individuals are affected. The reduction is the maximum allowed under the law, which said that salaries should be reduced in keeping with a reduced cost of living. A Department of Labor investigation had indicated that since the first six months of 1930 the cost of living had dropped 21.7 per cent.

A MILLION and a half people on the government pension rolls are affected as President Roosevelt signs an order lopping \$400,000,000 a year from the amount to be spent in veterans' compensation (April 1). The order puts veterans of all wars on the same basis. Those who have been drawing compensation for injuries received outside of war service are dropped from the rolls. Compensation for service-connected disabilities is reduced 20 per cent. Hospital care is limited to those who gave ninety days service. The dependents of veterans are not affected, but their pensions may be denied if death can be proved not due to service causes.

## Banks and Money

Security regulation . . . The dollar is good.

**F**OR THE first time in ninety-seven years the United States government has an active voice in the commercial banking business as the National Bank of Detroit opens (March 24). Capitalized at \$25,000,000—half of this amount comes from the Reconstruction Finance Corporation, which receives in return preferred stock carrying full voting powers.

Continued on page 59

# ◦◦ A DEPARTMENT OF CIVIC ACHIEVEMENTS ◦◦

In Cooperation with the American Civic Association

## Gardening for Relief



Courtesy of Civic Committee on Unemployment, Rochester

ROCHESTER, NEW YORK, had 1,997 community gardens last summer. The average cost per garden was \$7.63; the gross return, \$25. Above is a section of the 312 acres devoted to the project.

**A**N EMERGENCY is all that is needed to make America garden-minded. During the years of the World War men and women all over the country learned to hoe, rake, and distinguish weeds from carrots or beets as a patriotic duty. Tennis courts were plowed into potato patches; larkspur gave way to beans and turnips; and wide-brimmed hats and sun-tan became fashionable. All this in order to send food to the armies overseas.

During the past three years cities and towns from Maine to California have been facing a new emergency. Within their gates are armies of unemployed citizens, able-bodied and willing to work, but for whom there are no jobs. These men and women must be fed, and they must be given something to occupy their long hours of enforced leisure. Once again communities look to back yards and vacant lots to supply food and work. So successful were many of the experiments in emergency gardening last summer, that enthusiasm has spread and thousands of new plots have been prepared for the spring planting of 1933.

Take the case of Lakewood, New Jersey, for example. Lakewood is a resort town with a population of approximately 10,000 persons dependent for occupation largely on week-end and holiday visitors. With the depression came a disastrous slump in business and many families were stranded without means of making a livelihood. In considering how to meet the situation the townsmen remembered that Charles Lathrop Pack, a resident, had been President of the National War Garden Commission during President Wilson's administration. Under

his direction a Food Garden Commission was formed and a garden project organized for Lakewood.

Community interest was roused through a publicity campaign carried on in local newspapers, schools, and clubs. The Commission rented or borrowed unused lands, had them plowed and harrowed, and divided into plots fifty by one hundred feet in size. Seeds and plants were purchased wholesale. In some instances enthusiastic citizens loaned greenhouses to raise tomato seedlings and lettuce sets. Others donated money to cover expenses. A supply of rakes, hoes, and spades was also collected. When everything had been prepared, the plots were offered rent-free, along with necessary seed and directions for cultivation, to anyone who would work them. Unusually large families were sometimes allotted two plots. Model gardens, some of them belonging to social workers who helped carry out the plan, were scattered among the community gardens of the unemployed. Those who preferred to develop individual gardens in their own yards were given seed when they had prepared the ground for planting.

The Commission provided adequate supervision for the community gardens and reserved the right to take away any plot which was not well cared for. While the men cultivated vegetables, their wives were taught to can and store surplus produce, and the end of the season found many a well stocked pantry shelf and cellar in Lakewood. The experiment was a success because it helped the needy to help themselves. It did more than supply food, a whole-

some hobby, and health to the workers. It raised their self-respect and kept up the morale among those who were becoming disheartened.

The same plan on an enlarged scale is being followed out this spring. More than six hundred gardens, many of them individual enterprises, have been started already, and there is eager competition among gardeners. Newspapers are offering prizes for the best crops. It is predicted that at least 20,000 quart jars of vegetables will be placed on the shelves of garden planters next Fall, and that an additional 10,000 will be stored in the Municipal Building for relief.

**A** SLIGHTLY DIFFERENT system was worked out in the health-thrift gardens of St. Louis, Missouri, last summer. In traveling abroad, Julius A. Baer, a prominent business man of St. Louis, was impressed by the extensive home garden movement in Germany and decided to introduce the plan to his native city. He acquired land—frequently ugly vacant spaces in and near St. Louis—had it prepared for cultivation, and offered plots and supplies to anyone who wished to raise vegetables and flowers. Gardens were adopted by men and women in all walks of life, whether employed or not.

As the name "health-thrift" suggests, this was not an unemployment relief measure, but a private enterprise to encourage health and thrift among citizens of St. Louis. Incidentally the unemployed were benefited. Mr. Baer employed Eric Orf, graduate of a German agricultural college and familiar with the home garden movement in Germany,



to supervise the work. In reply to critics who claimed that the increase in small gardens was injuring the harassed farmers of the country, Mr. Orf said:

"While it is my belief that no one owes his fellow-men a living, I do think society owes everyone a chance to earn his daily bread. Therefore, any objections by the followers of the over-production theory to a system of individual home gardens enabling unemployed or underpaid honest men to earn food for their tables is ridiculous. As long as millions of men are idle and unable to supply the immediate needs of their families, while great surpluses of food rot on the ground or are used for fuel, it is evident that our problem lies in the distribution of wealth and buying power, and is not a question of over-production. . . .

"The family garden as a recreation is a contribution to the courage, contentment and welfare of the jobless worker and offers a greater financial return than any other leisure time activity."

**T**HE EXPERIENCE of New York state in gardening for unemployment relief has been such a happy one that 50,000 plots are ready for use this spring in place of last year's 13,300. The State Relief Administration outlines a definite plan—the same as that used in Lakewood—to be followed by communities adopting the garden program of relief. It urges gardens of uniform size—fifty by one hundred feet—free supply of seed which is purchased wholesale, adequate instruction in the advantage of using fertilizer, of proper cultivation, watering, and guard against plant pests and diseases. Careful supervision by experienced gardeners is also urged. A city may apply for state relief funds to help finance these subsistence gardens. Coöperating with the administration is the New York State College of Home Economics at Ithaca which is teaching methods for the preservation of surplus crops from the gardens of the unemployed. Courses in agriculture are being given at the State University, Buffalo, and in adult education classes throughout the state. The College of Agriculture at Cornell University, Ithaca, is also working to promote the garden project for unemployment relief. A pamphlet containing valuable garden information and directions for organizing community projects has been printed for distribution.

New York reports gratifying results from last season's program, although figures are approximate rather than accurate. It is estimated that the average cost of a garden was \$4.47 and that gross returns averaged \$24.50. This was considered financially successful because the movement was organized fairly late and best results could not be obtained.

### How Red Wing Acquired Park Lands

**R**ED WING, Minnesota, is one of those progressive communities where about one-fifth of the built-up area, or 232 acres, is devoted to parks. The land has been acquired during the past twenty-six years, and ninety-five per cent. of it cost the taxpayers nothing.

The Civic Center contains two parks, one of which, formerly a sandpit, was developed by a gift of \$10,000 from a citizen. Pierce Park, on the Mississippi River, is "made" land which was formerly a city dump. It is three-fourths of a mile long and a block wide and is attractively improved with trees and winding walks. Mt. La Grange, near the lower end of Pierce Park, rises 335 feet straight up from the river and its area of fifty acres has long been a city park, donated by good citizens. Alarmed by the number of children drowned in unprotected swimming holes, a group of women presented Colvill Park as a city bathing beach.

Soldiers' Memorial Park is Red Wing's largest and latest acquisition. Its purchase in 1929 was made possible by the proceeds from home-talent plays and a gift of \$10,000. An additional fund of \$5,000, raised during 1931-32 to provide work for the unemployed, was used to landscape an old stone quarry in this park. Workmen have transformed the quarry into a lovely rock garden with parking spaces where visitors may sit in their cars to view the scenery for miles up and down the Mississippi.

### Death Valley A National Monument

**M**YSTERIOUS DEATH VALLEY, the lowest point in the United States, became a national monument under the National Park Service of the Department of the Interior by proclamation of President Hoover last February. This added another million and one-half acre area, rich in geologic and historic interest, to Uncle Sam's chain of parks and monuments. It lies in southeastern California, near the Nevada line.

Here is a land of weird contrasts for the traveler. According to the United States Geological Survey, the valley lies 276 feet below sea level, yet fewer than eighty-six miles away towers Mt. Whitney to an altitude of 14,496 feet, the highest point in the continental United States outside of Alaska. In the midst of the sand dunes, gravel, and saline deposits of the desert is an oasis, Furnace Creek Ranch, where Panamint Indians cultivate oranges, garden vegetables, corn and alfalfa. Nor is the valley itself bare of plant life. The cactus, greasewood, yucca palm, chuckwalla, and other odd flora help create a unique landscape. And in Spring the ground is carpeted with wild flowers of rare beauty and color.

For years the history of the valley has roused the curiosity of travelers. Prehistoric races left their cryptic pictographs to puzzle future inhabitants. The Piute Indians were familiar with the valley, and the "Forty-niners" in their long trek to California traversed it. In fact, the name "Death Valley" was derived from the party of fortune seekers who were lost and perished in this waterless waste. Later came the prospectors, who found borax and developed mines and personal fortunes in the desert. Already fine facilities are available to visitors to the monument and good rail and road service make it readily accessible. A large hotel with

swimming pool, electricity, and all modern conveniences is open to guests the year 'round. The valley has a perfect winter climate and may be visited comfortably at any season save mid-summer.

### Historical Park At Morristown, N. J.

**M**ORRISTOWN, New Jersey, is a section of the country rich in historic association. It was the site of revolutionary camps throughout the war, and the drilling ground for troops just before the victory at Yorktown. Among the buildings which remain in well-preserved condition is the old Ford House, where Washington spent one winter and maintained headquarters. The house is now used as a museum. There, also, is old Fort Mifflin.

One of the closing acts of the last Congress was the authorization of the establishment of the Morristown National Historical Park to preserve this famous area. A tract of approximately 1,300 acres on the site of the camp ground at Jockey Hollow will be donated to the Government by Mr. Lloyd W. Smith of Morristown, and the city itself will present to the United States a forty-acre tract including Fort Mifflin.

### New Y.M.C.A. in Jerusalem

**B**Y HAPPY COINCIDENCE dedication of the new million dollar home of the Jerusalem Y. M. C. A. fell at the same season as the celebration in New York on April 18 of the fiftieth anniversary of the International Committee of the Y. M. C. A. of the United States and Canada. As part of the exercises in Jerusalem, an address by Field Marshal Edmund Lord Allenby was broadcast over an international network and reached the ears of those attending the anniversary luncheon in New York City. The completion of this beautiful group of buildings is hailed as a significant step in the advancement of international good feeling.

### Jungle Gardens in Florida

**I**N THE MIDST of the sophisticated life of Florida's east coast, it is a pleasant surprise to discover the McKee Jungle Gardens. This eighty-acre tract of tropical woodland, three miles from Vero Beach, contains specimens of plant life rarely seen by white men. Not only have the original features of the jungle been preserved, but skilful landscape architects have introduced exotic specimens from all parts of the world. Here the botanist may examine freaks of nature at close range, and the novelty hunter may laugh at the curious sausage tree, the breadfruit tree, or an insect-eating plant. Even the materialist is bound to exclaim over the beauty of the azalea garden, the aisle of giant palms, the huge water lilies, and the watery maze bordered with dank vegetation. The jungle is crossed by a network of paths for the convenience of the visitor.



# Franklin D. Roosevelt

## —President

**A**S THE FIRST six weeks of the new administration pass into history, the spotlight of public favor continues to focus on Mr. Roosevelt. Editors throughout the country have noted the swift accomplishment of campaign promises. They have applauded the decisive action and the unswerving purpose of the new executive. But no miracles have been performed to confound the people. The depression is still with us and legislation has called for sacrifice among large numbers of citizens. Nevertheless public confidence increases. Journalists are looking behind the scenes to see what manner of man this is who holds the reins of government, and what reason lies behind the public faith.

"The President's success has surprised many people who, before the election, were distrustful of Mr. Roosevelt's smile, who said he was shallow, that he didn't know what it was all about," writes Arthur Krock in the *Watch Tower* of the *New York Times*. "The truth is that Mr. Roosevelt never was the man he was painted after his quest for the Presidency began. His smile, of which so much detraction has been heard, is merely the reflection of a happy spirit. He smiles because he finds life exciting and agreeable, and probably also because he has triumphed over tremendous physical and political obstacles.

"Though he was struck down in his prime by a disease which to most people would mean absolute retirement from affairs, he conquered its usual effects by intensive effort.

"Though nearly every Democrat of importance opposed his aspirations, he was nominated and elected President. Though he took office when economic gales were blowing fiercest, and has been under an abnormal strain since, Mr. Roosevelt has thoroughly enjoyed his job.

"He is still smiling. But people who worried over his habit a few months ago take heart of hope from it now.

"The President seems candidly to enjoy power, responsibility, the perils inherent in grave and quick decisions, and the glamor of his office. The other evening some one, impulsively invited to dinner at the White House by Mrs. Roosevelt and still tingling with the pleasant thrill, said to the President: 'I never thought I should be dining here.'"

"You have nothing on me," said Mr.

NOT orthodox but at least  
we're getting somewhere.

By Carlisle, in the *New York Herald Tribune* ©

Roosevelt, and laughed his hearty laugh.

"The President has been obliged swiftly to send to the Capitol successive pieces of legislation and to require swift action thereon. Congress has been placed publicly in the position of passing bills without knowledge of their effect or contents.

"The Senate has been denied its sacred privilege of extended debate, indulged in for the purpose of proclaiming power and erudition. Individual Senators have been crisply informed that the President would like to appoint Mr. Smith from their state to high office, and asked, please to be sure the nomination was promptly confirmed.

"These courses are sowing the dragon's teeth for a crop of future trouble, and the President must be fully aware of it. He was in office here from 1913 to 1921, and he saw the change in the attitude of Congress toward President Wilson.

**T**HE PRESIDENT keenly understands the difference between greatness and success in the life of a man. I do not for a moment believe, so excellent is his balance, that he considers himself, *in posse* even, as great a man as Woodrow Wilson. But he is discerning enough to know that he possesses qualifications for dealing with politicians which Mr. Wilson never had, or at least would not bring into play. And Mr. Roosevelt is surely as good a politician as his illustrious predecessor in the tactical branch of that interesting science.

"His strategy in setting the beer bill on the heels of the economy measure has been sufficiently—possibly more than sufficiently—discussed. That was one point in a series. The effects on the economy bill were immediate, although the damage to the cause of repeal is yet to be ascertained.

"But, in pressing these measures, and in everything else of a non-emergency character which the President has recommended to Congress, one single purpose has run. The development of this purpose reveals high strategy, superior tactics and excellent psychology."



Ease in office, preparation for his task, and readiness to act are the qualities which Anne O'Hare McCormick points out as she pictures Mr. Roosevelt at his post in Washington. Writing in the *New York Times Magazine*, she says:

"The new President sits at the big glass-topped desk in the beautiful oval room which has wallled in a succession of Presidents. He sits remarkably at ease. Energy is the note he strikes on the ear of the country, but at close range this ease in office is even more impressive. Already, say the old-timers, he functions as naturally as if he had lived in the White House all his life. . . .

"Months ago, as a candidate, Mr. Roosevelt declared that he had read history and watched Presidents in action and understood perfectly what the office meant and demanded. Now he says that it is just what he expected—emergency and all. He was ready for what he had to do; therefore, his plunge into action surprises everybody except himself. For months, in consultation with advisers whom he refuses to call 'experts', because he dislikes the sound and connotation of the word, he has been preparing a program which he proposes to announce point by point and enact measure by measure, instead of whole. . . .

"To be President in these times is like being at the control board of Station USA, bombarded by all the sound waves of the nation and the world. They focus on the American Executive with the effect of physical pressure. But Mr. Roosevelt does not hurry. He has time to talk, to listen, even to converse, which is rare in high executives, who usually do one thing or the other. His eyes are a little shadowed, due to the loss of his usual ration of sleep. His face seems slightly sharper and firmer than it was a month ago. He is cooler and calmer, however, than any one in the reception room, and confident and cheerful as he was on election day.

"Mr. Roosevelt looks thoroughly at home in the White House. He says he feels at home. . . . In the morning, as was his habit at Albany, he runs through his correspondence in his bedroom. He goes over to the executive office about ten o'clock and works straight through until five or later, lunching at his desk—another innovation—and returns to the White House for tea with the family and the friends who join the circle.

"He has not been outside the White House half a dozen times since he moved in. This evening talk has been his only diversion. He likes talk, and he has certain favorite subjects, such as the early American Presidents, the Napoleonic wars, experiments in government, problems of practical farming, tales of fishing and the deep sea, to which he kindles in his weariest moments. People and talk literally enliven and recreate him. He comes out fresh and smiling from conferences that would wear out another man. Nothing wears him out. Even his temper is practically shock-proof; no one in his entourage, through all the strain and drive of the campaign trips, in the frantic pace of the past few weeks, has seen him angry, even irritable. With invincibly good humor, however, he usually gets what he wants."

Continuing the writer declares that Mr. Roosevelt's training as Governor of New York state has stood him in good stead in these days of emergency. The methods he uses in dealing with Congress—hailed as innovations—are those which he developed in dealing with the Legislature at Albany. Backed by public favor and confident in the rightness of his program, Mr. Roosevelt pushed bills through Congress which would have been impossible at another time. But, as Mrs. McCormick shows, it is not boldness alone which exalts the President.

"Mr. Roosevelt was and is ready to act. As an example of his method, take the bill to reform banking practice. The party platform contained a pledge to pass legislation to prevent financing frauds and bad banking practice. . . .

"Mr. Roosevelt took the platform pledges seriously, as a program for action. After the convention he asked half a dozen persons, sometimes working together and sometimes separately, without knowledge of one another's findings, to survey the field and recommend laws that would provide adequate remedies for the abuses. For months these surveyors have been working. They are now ready to report. In a few days the Department of Commerce will have a complete digest of all recommendations and the Administration will draw up a bill. . . .

"If a number of groups working independently to collate information can be called a brain trust, then here it is. Only a few of the members are college professors. They are business men, economists, specialists in various fields, even bankers. They do not evolve the ideal plan. The President has not time to wait for that, even if it could be drafted. He gets as many reputable, authoritative, and honest opinions as possible. Then, on the theory that to do something is better than to do nothing, that decisive action generates a fulcrum—

like force of its own, that all human progress is a process of trial-and-error, he decides: Let's try it!"

**WALTER LIPPMANN**, writing in the *New York Herald Tribune*, also finds well-directed action the keynote of public confidence.

"At the beginning of March the country was in such a state of confused despair that it would have followed almost any leader anywhere he chose to go," writes Mr. Lippmann. "It was a moment when an intoxicated demagogue could have aroused section against sec-

tion and class against class, when a dull politician would have been bewildered and would not have known what to do. By the greatest good fortune which has befallen this country in many a day a kindly and intelligent man had the wit to realize that a great crisis is a great opportunity. He has taken advantage of it. Without preaching or rhetoric, merely by a series of simple, crisp and orderly measures, he has convinced the country that it need not wait dumbly and miserably for 'the turn,' but that it can deal positively and promptly with the difficulties before it."

## Beer!

**S**EVEN AND ONE HALF MILLION DOLLARS in revenue to the United States Treasury in a single day . . . \$160,000 in taxes to the state of New York . . . \$250,000 collected for licenses to sell beer in the city of New York alone! Such figures as these indicate in a small degree the stir in the circulation of money which the advent of beer of 3.2 per cent. alcoholic content made in the United States.

Before April optimists made happy predictions about the changes beer would bring to industry. Brewers, cappers, bottlers, barrel-makers went into a frenzy of preparation to quench the thirst of a nation. And when the great day arrived, radiant crowds waved frothing steins and forgot the depression as they sang "Happy days are here again."

Let us examine some of the predictions about this depression-chaser and check them with actual facts. We quote first the report of the Department of Commerce sent out a week before April 7. The statement said:

"**B**REWERS are making large purchases of passenger automobiles, motor trucks, bottles, barrels, glasses, rubber goods, cereals, malts, and a number of other items as they prepare to sell 3.2 beer on April 7. The Automotive Division has been advised that numerous breweries will purchase, in the near future, a total of 4,590 trucks and 4,960 passenger automobiles, and that \$20,000,000 will be spent annually for maintenance of this equipment. Some breweries are reported to be overhauling motor vehicles at a total cost of approximately \$6,000,000. Orders for bottles are reaching many plants. The trade estimates an annual consumption of 720,000,000 bottles in the sale of beer. One of the recent orders reported was for 30,000,000 bottles,

another for 15,000,000, and a third for 1,000,000 glass tumblers. Other reports evidence that smaller manufacturers are working extra shifts on orders which will take several months to fill. At the same time the printing industry is flooded with a rush of orders to prepare labels for these bottles. The barrel industry also has been stimulated with new orders. In some instances existing manufacturing facilities are being overtaxed and barrel factories have orders on hand which will keep them busy until late summer.

"Rubber manufacturers of the United States expect to sell about \$4,250,000 worth of products to brewers. Already breweries are buying pneumatic tires for motor trucks, automobile tires, power belting, conveyor belting, bucket elevator belting, hose and tubing, rubber boots and aprons, water pump valves, beer pump valves, and keg washer wheels. It is estimated the rubber manufacturers will sell approximately \$3,500,000 worth of tires and



By Carlisle, in the Des Moines Register.

UNDER THE ANAESTHETIC

For the moment the country's troubles are forgotten.



tubes to the brewers, and about \$750,000 worth of other rubber goods.

"It is difficult to estimate in advance just how large the purchases of raw materials which go into the brewing of beer will be. On the basis of previous consumption figures collected by the Food-stuffs Division, the brewing industry may be expected to consume annually about 2,000,000,000 pounds of malt, 167,000,000 pounds of rice, 650,000,000 pounds of corn and corn products, 41,000,000 pounds of hops, 115,000,000 pounds of sugar and 204,000,000 pounds of grits, wheat, bran and barley."

**R**AILROADS and makers of cars are also looking for a share of business created by legalization of beer.

Robert Laffan, writing on "The Evolution of the General American Tank Car Corp.," in *Barron's*, notes new orders in the past few weeks.

"Curiously enough, the present General American Tank Car Corp. grew out of a transaction involving the transportation of beer," he writes. "Curious, because transportation of beer once again offers unusual promise to the company."

"Eight brewing concerns have signed contracts with the company for a steady supply of refrigerator cars. These concerns are: Schlitz, Pabst, Blatz, Miller ("High Life") and Gettleman, all of Milwaukee; Schoenhofen ("Eidelweiss") and Prima of Chicago, and Goetz ("Country Club") of St. Joseph, Mo."

**S**URVEYING the field *Business Week* finds that the optimists have put too much faith in the potency of beer. "Estimates of its benefactions to business contain usually more than 3.2 per cent. of hopes and sentimentality," declares that periodical. "Stimulation there will be. But—"

"The nation's present brewing capacity is about 25,000,000 barrels a year. Pre-war peak consumption was 66,000,000 barrels. Thus a first-year yield of the \$5 a barrel tax will be close to \$125,000,000, far below the top estimate of \$300,000,000."

"Claims of new jobs created run as high as 1,500,000. The brewing industry never was a heavy employer, won't be now. Adding the figures of distilleries and wineries to brewers' figures, brings pre-prohibition employment of wage and salary earners to 95,000, with perhaps 170,000 more for distribution—total, 265,000. Against this, the House Ways and Means Committee's estimate of 300,000 employees for making and distributing legalized beer alone appears highly optimistic. From it must be deducted the numbers heretofore busy with near-beer, also the obscure thousands in bootleg activities whose jobs may pass from outlaw to legal status."

"F. W. Dodge Corp. estimates a \$65,000,000 outlay for the next four months to modernize old plants and build new ones. A high figure of \$400,000,000 is placed on the complete rehabilitation of the industry. Delivery service will be expanded all down the line. Result, greater demand for large and small trucks. Certainly makers of bottles, bottle caps, kegs, cases, labels, retail fixtures, are in for a continuing run of new business. Whether the states permit

seated or foot-on-rail consumption of beer, real estate men will be gladdened by the disappearance of 'For Rent' signs.

"Exaggerated hopes are being held out to farmers. The Department of Agriculture warns against overplanting of barley. In the wet days, brewers and distillers together used less than 2 per cent. of our grain production. Vast quantities of corn and other cereals now are being marketed as moonshine."

"Railroads are going after their share of legalized beer traffic. Southwestern roads seek to induce St. Louis brewers to ship by rail instead of trucks. . . ."

"Of importance to all publishers is the uncorking of beer advertising appropriations, estimated by *Printer's Ink* at \$13,000,000 for the first year. The federal law specifically permits carriage by the mails after April 7 of advertisements published in wet states to subscribers in dry territory. States may pass laws prohibiting the display or sales of such publications on news stands, or the publication of such ads within their borders. Prohibition states must endure broadcasting of beer ads from wet territory. However, a station in dry territory cannot broadcast boosts for beer."

"Interesting is a sudden and violent boom in the piquant pretzel, inevitable complement of the foaming schooner. *Bakers' Weekly*, other publications, trade organizations are swamped with letters asking where pretzel machinery can be bought, how pretzels are made, the details of their bending. National Biscuit Co. reports its plants at York, Pennsylvania, and St. Joseph, Missouri, are on a 24-hour schedule, producing a combined daily total of 9,000,000 pretzels."

## The Administration Plans For Railroad Aid

**A**N EXCELLENT analysis of new plans to save the railroads, discussed by the White House and Congress, is found in the editorial columns of *The Econostat*, the new weekly business digest. We quote this analysis with but little condensation:

The railroad problem today consists of an inability to earn enough to meet the charges on fixed obligations, or to cut freight rates to meet the decline in other costs. Secondary problems are the inability to earn a return on junior capital, or to make those purchases of materials and supplies which would restore a number of dependent industries (such as steel, coal and railway equipment) to a more wholesome condition. The railroads are emphatically affected with the public interest. Other interests are rail managements, security owners, bankers, and labor. These four and the public are the reason for the plan of rail salvation presented to Congress by the Administration.

This plan has six principal features:

(1) The declaration of a national emergency which will offer constitutional justification for the suspension of legal obstacles.

(2) The appointment of a national coordinator with a group of subordinate regional coordinators who will have extraordinary powers. These dictators will

be railroad men with Joseph E. Eastman, of the Interstate Commerce Commission, as the all powerful rajah.

(3) This coordinator will work with the I.C.C. but the position of the Commission will be advisory. He will have the power to waive federal and state anti-trust laws, to abrogate existing contracts and agreements including those relating to wages, to raise or lower rates in the interest of competitive effectiveness, to deviate freely from the published tariffs, to cut the delays now due to long and short haul restrictions, to make full use of any advantage in any form of pooling, to require joint use of terminals and the elimination of duplicate facilities.

(4) The Reconstruction Finance Corporation will be permitted to make unsecured loans to railroads for taxes, wages, materials and interest. The condition for this is that the carriers squeeze some of the water out of their capital structures and place themselves in a position where a reasonable volume of traffic will enable them to meet their obligations.

(5) The retroactive repeal of the recapture provisions of Section 15a of the Transportation Act and revision of the railroad valuation requirements under Section 19a. Such repeal of the recapture clause will relieve roads of contingent liabilities aggregating \$361,000,000.

(6) Railroad holding companies are subject to regulation by the I.C.C.

What do the interested parties expect to get from this rehabilitation of the railroads?

The managements hope to see an early return of conditions where receipts will exceed expenditures by a sufficient margin to constitute an incentive to management.

Security owners hope to be compensated for the compromise of their claims by an improvement in the market value of their securities and their early restoration to an income basis.

Bankers believe that the rise in the market value of rail securities will improve their own portfolios and enable them to repair some of the damage to bank capital which the deflation has wrought.

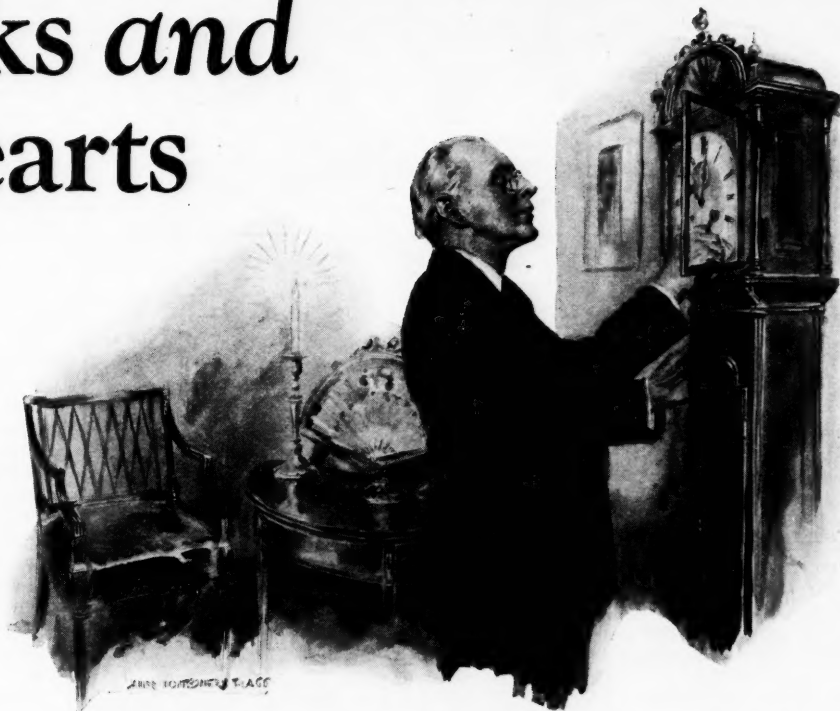
The public will benefit by a reduction of rates which, it is hoped, will be as much as 20 per cent. The carriers will be in a position to make purchases of supplies that will do much to start the entire country back to recovery.

Labor alone fails to see any advantages in the plan. Labor fears a further reduction of 15 per cent. in wages, to be added to the 10 per cent. taken on February 1, 1932. This will effect a total adjustment roughly equal to that made in the wages of government employees except that rail wages were substantially higher to begin with.

By diminishing the rigidity of the mass of regulations which have been imposed upon the carriers during two generations of governmental supervision, by releasing the stranglehold which the labor unions have, and by cutting through the self-interest of the carriers which has made effective cooperation in the past impossible, the new deal for railroads opens opportunities for profit not previously present.



# Clocks and Hearts



WHEN you look at a beautiful clock which has kept almost perfect time for nearly a hundred years, you marvel at the skill of its maker.

However, it could not have kept ticking 31,536,000 times a year if it had not been regularly inspected and kept in good repair during its long life.

But far more remarkable than the old clock is the engine made for you by Nature, which pumps faster than the clock ticks—your own heart which has throbbed more than 35,000,000 times a year with no stopping for repairs. Your very life depends upon its continuing ability to pump blood to all parts of your body.

Do you take good care of your heart? It will serve you longer, make you happier, make your life more worth living if you do not abuse it and if you do not neglect it in case it beats too fast or too slow, too faintly or too violently.



A man with a bad heart—who has learned how to take care of it—frequently outlives men who persistently abuse their hearts. Some of the most efficient and useful people in the world have had heart trouble for years.

In sharp contrast to people who have real heart ailments are the many persons who worry about imaginary heart trouble. Indigestion, lung trouble or nervousness may cause symptoms near the heart, while the heart itself is entirely sound.

If you would keep your heart beating contentedly, like Grandfather's clock—seventy, eighty or perhaps a hundred years—give it attention—at least an annual examination by a competent doctor. He will tell you what to do if it needs help or special care. The Metropolitan will be glad to send you its free booklet, "Give Your Heart a Chance." Address Booklet Department 533-V.

**Too prolonged overstrain at any age in life may cause heart trouble. There are, however, three general groups of heart difficulties:**

**FIRST**—the heart troubles of young people caused by diseases of childhood. Rheumatic fever and rheumatism (associated with "growing pains," tonsillitis and stiff and painful joints) frequently cause heart disease. Diphtheria, scarlet fever and measles may injure children's hearts.

**SECOND**—heart diseases of middle-aged people resulting from syphilis, toxic poisoning, or focal infection in teeth, tonsils, sinuses and elsewhere.

**THIRD**—heart ailments of old people which may result from one of these definite causes or from hardening of the arteries.

Many people whose hearts have been damaged are adding years to their lives by hygienic living, rest and intelligently balanced exercise.

## METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.

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# FACTS and TRENDS in FINANCE and BUSINESS

o o o As Seen Through Our Roaming Periscope o o o

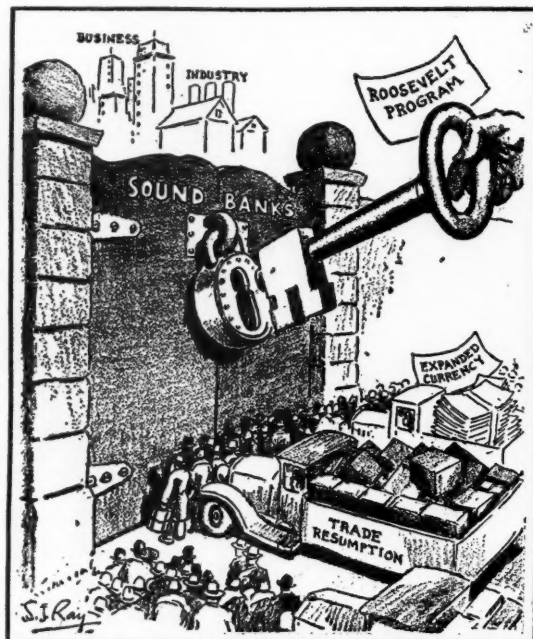
## Washington, Financial Center

**N**EW YORK has abdicated its financial supremacy, and the country now looks to Washington for the joy and gloom that translate themselves into ups and downs in our sensitive barometers of business and finance. The new deal that shut all banks, and then opened only the strong ones, actually kept nearly a sixth of our banks closed. Three thousand institutions failed to open their doors after the enforced holiday (in addition to six thousand that had been forced to quit during the preceding three years). Thus our new Administration's first constructive move tied up an estimated four billion dollars in deposits, which means further forced liquidation of investments and loans.

Its second constructive move was the granting and prompt exercise of presidential power to reduce federal salaries by 15 per cent., and to reduce or cancel certain forms of allowances for veterans. These two economy moves saved more than half a billion dollars of taxpayers' money, but they also reduced the spending power of the American people by that amount and thus served to postpone recovery.

On the other side of this financial balance-sheet, recording the Washington scene in March and April, we place the beer bill. Americans seem to like their new drink, 3.2 per cent. alcoholic, and Uncle Sam certainly has use for the revenue. Some months ago we estimated in these pages that beer taxed at \$5 a barrel would yield the federal government \$300,000,000 annually.

To counterbalance his money-saving bills, President Roosevelt turned about-face and set out to spend money. He placed in motion his plan to put civilian armies at work in forests. Young men from 18 to 25 were enrolled in large numbers (under War Department auspices) to be paid one dollar a day in wages plus their keep and medical services if needed, and to be employed for six months in open-air work that would be good for their health and morale. Those chosen came from families that had been receiving local relief, and they were persuaded to assign a substantial part of their \$180 six-months' wage to the folks back home.



By Ray, in the Kansas City Star.

### THE KEY TO CONFIDENCE

It is hoped that 250,000 jobless men can be taken off the market.

As might have been expected, the President's chief difficulty has come with his attempt to help the farmer. Stabilization efforts in wheat and cotton alone have already cost \$350,000,000 of taxpayers' money. The Administration bill proposes to help nine specified commodities, by paying the farmer to reduce production. Wide discretionary power would be given to Secretary Wallace, of the Department of Agriculture.

At the same time the President asked Congress to provide for refinancing farm mortgages at low interest rates and with long maturities. Two billion dollars of government credit may be employed. Out of our numerous agricultural credit agencies (including the Federal Farm Board), the President, by executive order, makes only one: the Farm Credit Administration, which will be presided over by Henry Morgenthau, Jr., as Farm Credit Administrator.

The underlying theory in all this is that thirty million farmers are thirty million buyers; and if you fatten their pocketbooks, even by magic, the wheels of industry will begin to turn. Certainly the beer bill put business into the hands of hundreds of thousands, from refrigerator and truck manufacturers to the lumber and glass industries.

On the presidential and congressional program for the second half of April

were the Muscle Shoals power bill; an expanded kind of home mortgage relief through the Home Loan Bank system; a bill providing for government control of new securities financing; and a revision of the banking law based upon the Glass banking bill (including government guarantee of a certain percentage of all bank deposits). Without presidential backing the Senate in April adopted and sent to the House a measure seeking to establish a 30-hour week (five days of six hours each) by prohibiting shipment in interstate commerce of the products of labor not so limited.

So, we repeat, the business man and financier have been fixing their eyes on Washington rather than on New York and like centers of industry. In similar fashion their fears now center at Berlin and other world capitals.

How long the President, using his own energy backed by the powerful appointing power of a party out of office for twelve years, could force legislation unamended through Congress, was a question raised by many observers.

### Our Lost Trade with Russia

**A**BOUT TWO YEARS ago it became apparent to students of trade relations that the United States was destined to lose the custom of the Soviet republics.

In 1913, for example, the last pre-war year, United States exports to Russia had amounted to \$40,700,000, or something less than 6 per cent. of Russia's total business with other nations. In 1930 (the Soviet fiscal year ended September 30) our exports to Russia had grown to \$140,000,000, which happened to be 26 per cent. of Russia's business that year with the outside world. More than two-thirds of what we sold Russia was agricultural and industrial equipment.

Then the tide noticeably began to turn. Soviet tradesmasters were able to obtain longer credit elsewhere. Possibly the fact that they seemed more welcome elsewhere had something to do with it. At any rate, Soviet imports from the United States fell to \$115,000,000 in the calendar year 1931 and to \$15,500,000 in 1932. In two years we lost

89 per cent. of what our peak trade with Russia had been.

So great was the effort of other countries to capture this Russian trade that governments adopted a policy of guaranteeing to business the collection of most of the bill. Germany thus guaranteed 60 per cent. of all credits extended to Russia by German business. Italy guaranteed 65 per cent. (and more in "exceptional cases"). Great Britain insured up to 75 per cent. of drafts offered in payment by foreign purchasers.

Germany thereupon displaced the United States as the country where Russia shopped most. Her exports of \$120,000,000 in 1930 became \$160,000,000 in 1932—in a period when world trade (including the Russian) was falling materially.

Britain's trade relations with the Soviet were rudely interrupted last month by the arrest in Moscow of six British employees of Metropolitan-Vickers, Ltd., electrical manufacturers. The whole British government rushed to their aid. Britain's trade agreement was about to expire, and there were threats that it would not be renewed. It is now six years since the Arcos raid of May 1927, when Britain severed trade relations with Russia, and three years since trade was resumed.

Russia is also encountering anti-Soviet propaganda in the New Germany. The only palliative in sight is a movement in the United States to have the Roosevelt administration recognize Russia. This would stimulate trade between the two nations, though it would not offer any method of long-term credit government guaranteed.

### The Sales Tax Moves Forward

READERS of this magazine will not have failed to notice a leaning toward the sales tax as a source of new revenue for states. We printed Governor Conley's statement on West Virginia's gross sales tax in our issue for October, 1930, and Governor Conner's exposition of the Mississippi sales tax in our issue for October, 1932.

During this present legislative season two leading northern states—Illinois and New York—have met the crying need for new revenue by a tax on sales. The Illinois law went into effect on April 1; and it met defeat in the courts, possibly only temporary, just one week later. It applied a 3 per cent. tax on retail sales, exempting only gasoline (already subject to a sales tax) and farm products when sold directly to the consumer.

In New York the tax imposed is 1 per cent. on retail sales, food excluded. The measure was passed hastily in the last days of a confused session in mid-April, and it begins to bring in revenue to the Empire State on May 1.

Arizona also has just adopted a sales tax, combining a levy of one-half of 1 per cent. on wholesale transactions (such as copper when sold by the mine) with a levy of 2 per cent. on all retail sales. Electricity is taxed at the low rate if used for industrial purposes, and at the high rate if for domestic use.



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# The Failure of State Banking

Continued from page 21

the Civil War Congressmen had on their hands, namely a host of state banks operating under heterogeneous jurisdictions who could solicit deposits, flout the rules of sound banking as imposed by federal legislation and examination and flood the channels of trade with the checks that might or might not be honored. Furthermore, such weaknesses as the national banks developed were due in part to the necessity for relaxing the national laws in order to permit them to compete with the state banks. The constitutional denial to states of the right of note issue and the Civil War tax upon state bank currency have been emasculated as safeguards of sound banking through the introduction and general use of the check—and the failure of authorities in the majority of our states to recognize an obligation to depositors greater than that to the bankers.

This statement becomes clearer if we consider the following incident. A state banker, member of the Federal Reserve system, at the end of the third day after the termination of the bank holiday, had not yet received his license to re-open from the reserve authorities. He called the Reserve Bank by phone and demanded the reason for the failure of authorization to open. He was politely told that his bank had not qualified. Whereupon the banker established immediate contact with the state banking commissioner. "Why George," said the state guardian of banks, "Your bank is O. K. with us. As far as we are concerned you can open up any time. The Reserve gang simply don't like your management." With fire in his eye the banker leaped into his car and sped to the abode of tyrannous federal officialdom. A courteous official was brushed aside in the demand to see the "chief". The valuable opinion of the state banking commissioner was hurled as an irrefutable reproach into the teeth of the "chief". What was he going to do about it? Whereupon the chief called

for the bank examiner's report. It showed that actual losses had already absorbed most of the bank's scanty capital. If a fair allowance were made for unrealized losses on securities and uncollectible loans the bank had assets on hand approximately \$180,000 less than the amount it owed to its depositors. "Certainly," said the chief, "We don't like your management. We do not like the management of any bank which cannot offer its depositors a reasonable assurance of repayment. Furthermore, we will not allow such a bank to open until that assurance is provided." The state banker did then and there submit an application for withdrawal from the Federal Reserve system.

**D**URING THE LAST week of March, nineteen banks withdrew from the system. From forty to fifty additional applications for withdrawal had been received, and Federal Reserve officials were frankly disturbed by the proportions of the movement taking place almost entirely among banks that were refused a license to re-open. It is certain that all these banks had received previous assurances of charters from the state authorities. The state of Iowa, which has always pointed an accusing finger at Wall Street for its nefarious exploitation of the innocent, has seen the failure of 384 state banks during the last three years. When the banking holiday came to an end, 605 of the 605 remaining state banks were permitted to open.

Colorado, Oklahoma, Connecticut, Maryland, Nevada, North Dakota, and West Virginia are other commonwealths in which the banking authorities found state chartered institutions in such excellent condition that every state bank was permitted to open. In the last three years the mortality among state institutions in these exemplary banking areas has been as follows: Colorado 36, Oklahoma 61, Connecticut 22, Maryland 22,

Nevada 16, North Dakota 116, West Virginia 44. If one may draw any conclusions from these figures, it is that the bankers in these states are more powerful politically than the depositors.

Throughout the last century and a half it is the state banking authorities who, by their complacency, have been responsible for the major part of our banking ills. The direct loss to depositors based upon asset realization in past failures indicates that losses for the past three years will exceed a billion and a quarter dollars, and it is not unfair to charge all of this to our loose and irresponsible state banking codes. This is a fact which the average depositor does not appreciate, for if he did, only banks which are members of the Federal Reserve system would secure his deposits.

As a result of this the movement to force all the banks in the country into a single unified system has made rapid headway. Since states have the right to charter banks and the tax on state bank notes no longer hampers the state institutions, there is some doubt regarding the constitutional power of the federal government to effect this unification. On the ground that the failure of more than 10,000 banks since the war places an undue burden upon interstate commerce and makes it difficult to provide a sound currency or banking system, the following methods of eliminating state banks have been suggested:

- (1) A tax upon checks drawn on state banks.
- (2) Forbid any government official or any bank or corporation with a national charter to accept a check payable at a state bank.
- (3) Forbid any bank with a national charter to extend any credit to or keep any funds in a state bank.
- (4) Prohibit the deposit of public funds in a state bank.
- (5) Exempt national banks from all taxation.

## Can Rail Securities Be Stabilized?

Continued from page 22

commerce, create new business for the railways, enable them to earn the interest on their present bond and preferred stock issues, and thereby reconvert these securities into valuable assets with immediate consequences to the whole economic structure shown in the diagram?

From what has been said, it must be obvious that the relief of the railroads is a measure of vital importance to the individuals of the United States whether or not they are the holders of railroad securities, and this being so there can be no sound objection to the use of the collective credit of the American people to restore both collective and individual prosperity.

Accordingly, in order to convert railroad securities into fluid assets that will provide working capital for industry, trade and commerce, the following steps by Congress are suggested:

1. The immediate protection of the railway carriers by appropriate legislation against all unjust competition with automotive transport and government agencies, or legislation that will enable railway carriers to substitute automotive for steam transportation wherever, in the opinion of the Interstate Commerce Commission, this is both practical and more profitable.
2. The appointment of the United States Government as trustee for any railroad corporation with outstanding issues of bonds and stocks which desires to turn over its earnings to the trustee.
3. The classification of railway securities with respect to their relative values under the present system of railway capitalization.
4. The recapitalization of the corpora-

tions which accept trusteeship on the basis of their earning capacity under fair conditions.

5. The authorization of the exchange of United States Railway Recapitalization Bonds, bearing interest, for railway securities, in the ratio of their classified values to the revaluations of the railway properties.
6. Provisions for the recovery of the securities exchanged for the U. S. R. R. bonds with accrued dividends less interest paid on the bonds plus a proper fixed charge for the trust operation.

The benefits to be had from this system are patent. Among others they are:

The avoidance of government operation with further loss to the present holders of railway securities.

The provision of a fluid asset of actual market value in lieu of present railway securities, or fresh working capital for industry, trade, and commerce.

The saving from bankruptcy of the railway carriers by relieving them from their present crushing burdens and placing them on a sound earning basis.

The saving from bankruptcy of the individuals, banks, insurance, trust and investment companies whose solvency depends upon the solvency of the railway companies and the earnings of the carriers.

The eventual retirement of the U. S. R. R. bonds without loss to the United States by insuring the recovery of the railway carriers.

Unquestionably immense difficulties would attend these processes. Yet, with the proper representation of the carriers, the banks, insurance and trust companies, the Interstate Commerce Commission, Department of Commerce and the Treasury Department, the task can be accomplished just as readily as the railway properties have been valued for purposes of taxation.

The process of exchange could be simplified by key numbers and letters for each class of outstanding railway securities that would enable national banks to issue the U. S. R. R. bonds and account to the Treasury Department for the securities accepted therefor.

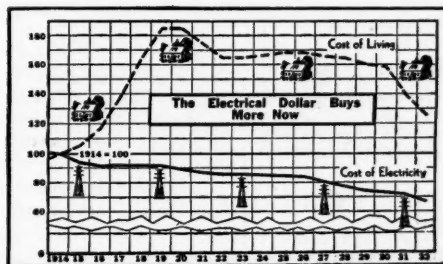
Since the securities exchanged for U. S. R. R. bonds would be recoverable in the event they finally equal or surpass in value the market value of the bonds, in the end no one could possibly be prejudiced either through an inequality in recapitalization or in the classification of exchangeable values. For example, A and B each hold 100 shares of the common stock of two different railroad companies. These shares are classified with exchange values of \$10 and \$15, respectively. A believes his stock is worth more than B's. If this be true, while he will get only \$1000 of present capital by exchanging his stock for U. S. R. R. bonds, upon re-exchange he will recover all the accrued dividends of the more valuable stock and meantime will have received interest on his bonds whereas he is receiving no interest whatever on his stock.

On the other hand, should the trusteeship not save the capital investment in railway securities, the holders would be no worse off than at present.

Finally, by utilizing its credit in the way shown to save the railway carriers, the United States can be in no worse position than at present when the roads are threatened with bankruptcy since, if they go into bankruptcy, for the reasons shown the entire economic structure of the country will collapse.

If the scheme here proposed be analyzed, it will be seen that the principle involved, or the exchangeability of public for private credit without ultimate cost to the federal government, though novel in national financing is fundamentally the same as that upon which the relief of banks glutted with frozen mortgages has been predicated.

## A Fair Question—"Why Haven't Electric Rates come Down as much as the Cost of Living?"



**E**LECTRIC RATES have come down *more* than the cost of living, if the period since 1914 is considered. Electric domestic rates are 33% lower now, while the cost of living is still about 25% higher.

The decline in rates cannot be so sharp as the recent drop in living costs, because utility expenditures consist largely of charges which cannot be reduced. Such a charge is *interest* on money loaned by bondholders for construction. Another is *taxes*, which have increased twice as fast as revenue during the past two decades and which now take more than ten cents of each dollar of revenue.

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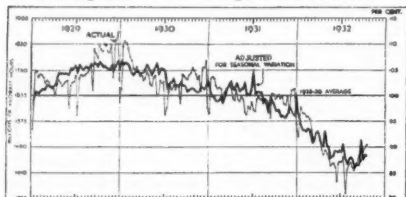
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## The University's Place

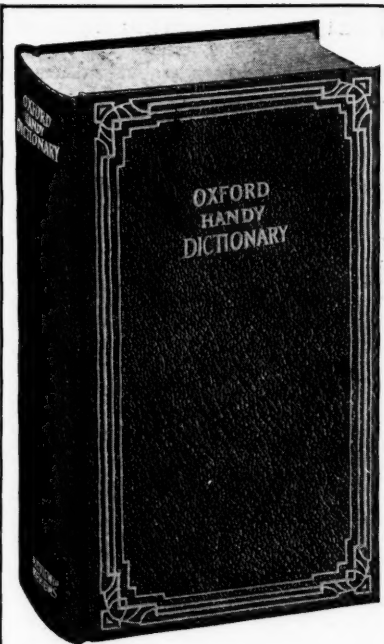
Continued from page 37

In each successive national crisis the state colleges have adapted themselves to new emergencies. In the difficult period of reconstruction and development following the Civil War, they substituted science for superstition. In the judgment of the late Calvin Coolidge, they were an indispensable factor in the winning of the World War. When dedicating a library at the South Dakota State College a few years ago, Mr. Coolidge said of these colleges:

"They created a vast agricultural empire lying between the Alleghenies and the Rockies, which has furnished an increasing food supply to meet the demands of our growing population. So many and so varying elements went into the winning of the great World War that much caution should be exercised in assigning to any one of them a decisive influence. But I think it is entirely within reason to say that without the supplies that came from the American farms it is impossible to see how the war could have been won. Those supplies could never have been furnished without the capacity for production which is directly traceable to the influence of the American agricultural colleges. The hand of Abraham Lincoln reached over the battle fields of France and was one of the decisive factors in turning the scale of victory."

These state colleges have been both pioneers of progress and conservators of social and economic life. They have taught and inculcated the principles of citizenship, and have successfully resisted attacks subversive of our American institutions and our established industries. The fights which they have organized against the boll weevil, the corn borer, and innumerable pests and diseases that would have destroyed crops are too well known and numerous to mention.

Budgets are being drastically cut in government, in business, and in education. In the case of education the misfortune is greatest because the demands for service that are made upon the schools increase, rather than diminish, during an economic depression. Unemployment has accelerated enrolments in schools and colleges. While numbers have been growing for some years, 1931 showed the greatest relative increase we have yet experienced. Unemployment difficulties are being met by sending more of our young people to school. At the same time there is an insistent demand that more adult education be provided. This demand seems justified in view of the fact that the work week and work day are both being shortened, and a constantly increasing number of mature persons are finding more leisure time on their hands. The universities and colleges find themselves confronted with drastic reductions in appropriations at the very moment when they are being called upon to render greater and more varied service to help solve the social and economic problems growing out of the present crisis.



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## Japan's Withdrawal

Continued from page 30

machinery she had helped to create.

Japan made no mistake in assuming that the issues in Manchuria were vital to her national life. She knew that most members of the League appreciated neither the extent and gravity of the chaos reigning in large parts of China, the inability of the Chinese Government to guarantee reasonable fulfilment of all treaty obligations, the increasing dangers of the spread of Communism, or the potential menace of Soviet Russia. She alone, whose compact and overpopulated empire is dependent for very existence on cooperative economic relations, lay near enough Russia to realize the danger. Japan made no mistake, either, in assuming that none of her new friends and partners in the League would be willing to undertake and execute the only remedy she thought would be efficacious in these circumstances, namely, force and only force.

Japan's able spokesman in Geneva, Yosuke Matsuoka, used those words in a recent statement he gave to American newspapers. That was Japan's fatal blunder—assuming that force, in the new world to which she belonged, could any longer work anything but evil for all parties concerned. Beside that, which was the basic thing the League verdict condemned, all the technical mistakes, which Japan confesses and excuses on emergency grounds in a strained concept of self-defense, are of little moment. Until she purges herself of that error and finds some other remedy for chaos more consonant with the lessons the rest of the world has learned, in part at least since 1914, Japan, whether member of the League or not, will remain an outlaw to the fraternity of nations.

Japan's withdrawal from the League two years hence would mean a greater loss to her than similar action to any other country. Her act will inflict greater harm on herself than on the League or on the cause of world peace which Japan conscientiously but mistakenly thinks she is serving in the Far East. Can she afford it? Her best friends all around the world say "no". Many of her ablest citizens and statesmen at home doubtless think "no" in their minds and hearts, though they are loyal to the decisions made by those they have entrusted with power.

Japan may and probably will find a way within the next two years to recall her notice of intent to withdraw. By such action she would give the world not only new evidence of the difficulties she faces, but of the real courage and genius of her great people, facing alone intolerable burdens which can only be lightened through the coöperation of Japan with China, and the world with both.

**T**HERE WERE NOT lacking in Geneva in recent months, alarmists who predicted that Japan's withdrawal would lead other countries to do likewise, and eventually to such weakness in League machinery for peace that it would not be worthwhile to maintain the organization. On the contrary, while the very

thought of Japanese withdrawal from League activities will cause sincere regret in League circles, the League itself has been strengthened by the verdict which made the notice of intent to withdraw necessary. On the whole there is no question but that the League is better off without any member that honestly believes that force, and only force, can bring to fruition a vital project in which it is interested outside of its territory. Yet the League, too, needs Japan, loyal to its principles, and standing as a tower of strength in the Pacific area, just as much as Japan needs the League. A way must be found, and doubtless will be, within the next two years, to convert Japan from the fallacy concerning the use of force in the twentieth century. Means must also be used to convert the League from its ignorance or indifference concerning the plight of the Japanese Empire and the seriousness of the situation in China. Surely the

combined wisdom and statesmanship of the world can find a solution other than war, under whatever name it parades.

**J**APAN ALONE cannot guarantee and maintain peace in the Far East. As a member of the League she could and would be the dominant influence in that direction. Only in coöperation with other countries within and without the Pacific area, can Japan do something more than give security to peace. With other nations she can bring about a large measure of economic security in that region and do what she has already done for her own people and for many of her neighbors: progressively and steadily raise their standard of living.

No, Japan has a higher mission to fill, one worthy of her marvellous progress of the last fifty years. There is no one else to answer the call that comes to her. She must not go through with her intent to withdraw from the League.

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## Canadian Vacationlands

**F**RENCH-CANADIANS have never believed in small families. There has been no choice in the matter; big families have been necessary. Three hundred years ago a small group of French expatriates followed close on the heels of Champlain to settle in the lowlands of the St. Lawrence. Between five and ten thousand others left France and penetrated that new world wilderness during the next few years.

Even ten thousand settlers, scattered as they were through the lowland region, were too few to cope with the wily Indians. In numbers—they knew—was protection. In numbers, too, lay hopes of conquering the unfriendly land. It took many strong hands to subdue the rebellious soil and children were the era's old age insurance. Later, when the Indians were no longer the dread enemies they had been at first, the French had to cope with the English. Large families continued until today there are some two and a half million direct descendants of the original settlers who preserve their language, customs, and religion despite a century and a half of British rule.

It is to these French speaking people that Quebec owes its definite French atmosphere. It is they who have made Quebec Province one of the most interesting vacation districts in all Canada.

Quebec City is old. It is not even a mixture of old and new, for the old predominates. On narrow cobblestone streets and under hoary archways, automobiles are more incongruous than swaying *calèches*. Houses abut directly on the street and it takes a skilful driver to see that neither horse nor one of the vehicle's two great wheels strikes scrubbed stoop-steps. Over the city glowers famous Chateau Frontenac. On the St. Lawrence, directly below, the English fleet one morning in 1690 surprised the waking town. But instead of surrendering, the French trained their cannons and sent the invaders scurrying down the river. The devout were building a church at the time and it is still known as "Our Lady of Victory."

Nearly three-quarters of a century later, however, came the famous battle on the Plains of Abraham in which the British were victorious. Then followed a perfect example of a considerate victory. The conquered French were respected. Religion, speech, social customs were unmolested. French Quebec, even

under the English, remained French. No wonder that later on Ben Franklin himself could not secure French-Canadian aid for the revolting English colonies to the south.

The journey from Quebec to Montreal is more like a passage through time than distance. On the map the two are almost neighbors. In spirit they are centuries removed. Montreal is as much a city of today as Quebec is a city of yesterday. There are reminders of the past in Montreal, but they are dominated by the present. Today's ideas, today's people, methods, and work prevail. Although the city is situated six hundred miles from the ocean, the St. Lawrence River gives it a harbor that makes it the greatest grain exporting center on this continent. Most of the grain goes to the British Empire. This is not true of all trade. In total exports and imports, the United States and Canada have recently been each other's best customers.

**F**IVE other cities have more than a hundred thousand population. Like Quebec and Montreal, they are worth knowing, but to the summer traveler, Vancouver, Toronto, Winnipeg, Ottawa, and Hamilton are not apt to be Canada's chief attractions.

Through the eastern mountain regions and in the woods and lakes of the central section, resort camps are hidden away from the wearying grind of the outside world. Many are owned by the two great railroads of Canada, the Canadian Pacific and the Canadian National, and are accessible by rail and motor launches that meet the trains. Primarily for those who love to fish, these camps offer many another outdoor activity. There are tennis, swimming, canoeing, motor boating, in some instances golf, and the refreshing rest that only wilderness can give. In northern Ontario and Quebec Provinces lie some of the best lake and stream regions in the Dominion, and here are many of the finest camps. Bass, maskinonge, and trout lure the fisherman. There is hunting during open season; and always the opportunity for camera hunting on the preserves. Life in the camps is simple and wholesome.



Courtesy Canadian Pacific

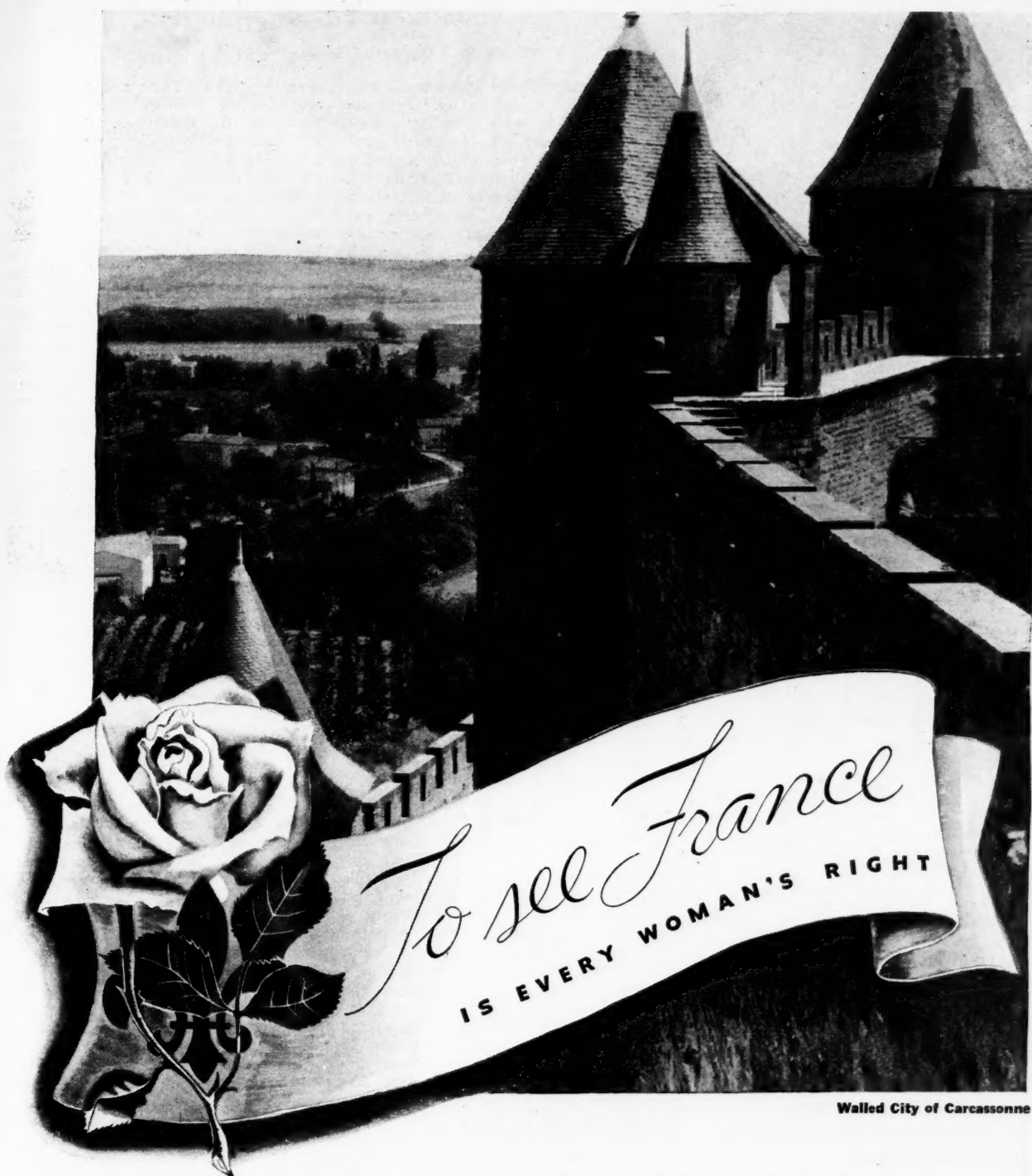
**SKIRTING MT. STEPHEN** in the Canadian Rockies amid scenery created on the continent's most staggering scale.

If solitude and not company is what you hanker for, try a canoe trip. One of the camps, perhaps above the Great Lakes, can serve as your base. All arrangements can be made in advance, if you like, and upon arrival you can step into a canoe in as little time as it takes to get into comfortable clothes. The waiting Indian guide will have supervised the outfitters who pack your all-wood canoe. Only the best fishing spots are on his list. He knows how to pick a camp site, and won't expect too much help on the portages if city life has softened you more than you expected. The beds he can teach you to make from pine branches and a Hudson Bay blanket will convince you that the mattress at home is an ironing board's first cousin. No sleepless nights in these woods! For days you can be away, sometimes recrossing your route but never retracing it; some days staying near a particularly good piece of water, other days moving on. As the days pass, old worries and problems disappear and you gather strength for the return to the city life. Recreation here becomes re-creation.

In the west are the Canadian Rockies, offering probably the most staggering of this continent's varied scenery. Banff is known the world over. A beautiful hotel is cradled by mountains. Distant glaciers shimmer in the sun and shed waters that torrent downward to crystal lakes. Riders find a new exhilaration in mountain trails and sudden glimpses down stark canyons.

Lake Louise—silver as a mirror in the early dawn and from then on reflecting the blue of a clear sky—is the nearby hub of another vacation spot. Close at

*Continued on page 56*



Walled City of Carcassonne

THERE is nothing new in this idea. Back in 1835, the well-known wit, Sydney Smith, wrote to Countess Grey: "I think every wife has a right to insist upon seeing Paris."

This is doubly true today. In addition to Paris, chateaux lie above the Loire, and quaint peasant homes are cut in its clay banks, only a few hours from the *Rue de Rivoli*. . . . The most majestic cathedrals of pure Gothic are in France. . . . Roman ruins can be seen in the South. . . . Health and rest are

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## Canadian Vacationlands

Continued from page 54

hand are smaller lakes where trout wait impatiently for a passing fly. Paradise Valley, shut off from the world by mountains, is carpeted by anemones and asters. Splendid roads make motoring so fine that even the riding, golf, fishing, and swimming fail to get all the attention.

Jasper National Park, in Alberta, can fill the requirements of the most exacting vacationer. Here, too, is superb scenery, the activities of an outdoor life, and the comforts of a splendid hotel establishment. Visitors to Jasper Park Lodge this year will find glacier-fed Maligne Lake newly stocked with Pennsylvania brook trout.

Jasper is a good point from which to start a Triangle Tour through British Columbia. The first leg of this two thousand mile journey is by train through the mountains to the Pacific. At Prince Rupert, the city that was specially built as the western terminus of what is now the Canadian National Railway, a steamer is waiting to head south to Vancouver. During this day and a half sail a breath taking panorama unfolds. On one side great mountains rise straight from the sea. On the other, many wooded islands pass in close view as the ship twists a passage among them. After exploring the city of Vancouver you return to Jasper by train. Triangle Tours vary in length from a few days to

several weeks. They are arranged to acquaint the traveler with the scenic beauty of the northwest. Most of the travel can be by daylight, and for those who have time to linger frequent stop-overs can be arranged.

At the eastern end of Canada is another vacation region, the maritime provinces. They are three: Nova Scotia, Prince Edward Island, and New Brunswick. Whether the approach is by land or by sea, the journey is worthwhile. The Maritimes are much alike. Rugged surroundings seem to have developed a sturdy quality in the people. Protected lagoons and sandy beaches provide good summer swimming. There is none of western Canada's spectacular beauty, but there is quiet dignity that makes for rest and peace in the warm sea air and summer sun.

Many American visitors to the Maritimes return home via the St. Lawrence to Montreal, and thence by train to Ottawa, capital of the Dominion. Topping one of the highest hills on which the city is built stands Canada's House of Parliament, a gem of purest Gothic architecture. It is new, for the fire of 1916 completely destroyed the old building. Its very newness is symbolic of Canada—willing, if necessary, to tear down and build anew, but always building with a nice regard for the past.

## Shifting Bureaus at Washington

Continued from page 33

and more evident. In 1849 Congress established the Department of the Interior.

Four bureaus were assigned to this new department. The General Land Office was transferred from Treasury, the Bureau of Indian Affairs and the Pension Office from War, and the Patent Office from State. It was desired particularly to free the land policy of the United States from the theory and practice that the Government was selling property for revenue purposes alone. In addition to ridding existing departments of unrelated functions, Congress intended the new department to look after the development of the country and the welfare of its people and to safeguard that development and welfare from revenue-producing consideration.

As a result of the Congressional action of 1849 the United States added a Federal Post Office, an Attorney General, and a department of home affairs to the four early departments. Curiously enough, the first Secretary of the Interior, Thomas Ewing of Ohio, in his annual report, definitely proposed the establishment of an agricultural bureau and made an eloquent plea for government aid to agriculture.

As the years went by there were established in the Department of the Interior the Bureau of Education, the Geological Survey, the Reclamation Service, the Bureau of Mines, and the National Park Service. For a number of

years the custody of the National Forest Reserves was lodged in the Secretary of the Interior. Two hospitals, a university and certain territorial officials also are connected with the Department of the Interior today; but the Bureau of Pensions, the Patent Office, the Bureau of Mines, and the Forest Reserves have been transferred to other departments. The General Land Office and the Bureau of Indian Affairs are the only bureaus included in the original set-up in 1849 now included in the Interior.

The department situation in 1933 seems comparable to that of 1849. A number of bureaus have become attached to departments to which they are more or less unrelated. If these bureaus should be transferred to the Department of the Interior they would readily fall into three categories, all concerned with domestic affairs and the general welfare. The box on page 33 pictures the Department of the Interior, so reorganized.

Of course, a Director of Planning might reach conclusions at variance with these. Some of the suggested changes might not seem justified. He might propose others. But the principle of relieving departments of unrelated activities and rounding out the administration of the Department of the Interior is sound.

Let us consider the advisability of suggested transfers which are being talked about this year.

In the sixteen years since it was cre-

ated, the National Park Service had developed policies which definitely remove the National Parks from commercial uses and conserve them as nearly as possible in their natural state for the benefit of the people. This places the National Parks in a class entirely different from that of lands administered for commercial profit.

At times it has been suggested that the National Park Service be transferred to the Department of Agriculture, on the theory that both have to do with land and recreational activities. The answer lies in the difference between the major functions of the two services. National Forests are primarily economic and conservation reservations. They are created to furnish a wood crop, to protect water sheds, to resist erosion. The timber produced is cut and marketed. Water power reservoirs are erected. Hunting is permitted. Leases are issued for private cottage sites. National Parks on the other hand are set aside for the enjoyment of all the people, with special emphasis on the educational, inspirational, or historical opportunities they afford. The friends of the park movement were responsible for choosing the Department of the Interior as the safest place to assign the National Park Service, and they do not desire a change.

The forest reserves represent some 160,000,000 acres, an area far exceeding the 12,580,000 acres—including Alaska's 5,800,000—of the National Parks and Monuments. There are twenty acres of National Forests for every one of National Parks. The forests have an important function to perform and should be administered separately from the parks. Combining them is like putting a picture gallery in a natural history museum. These forests are admirably administered in the Department of Agriculture. Why then disturb the present satisfactory relationship in order to bring about a doubtful paper advantage in a logical regrouping? A Planning Director would no doubt suggest adjustments needed to bring about efficiency and economy, such as an exchange of services along the lines of the specialties of each bureau.

The planning features listed in the Public Works groups of the department set-up would give many new opportunities to coordinate national planning on a grand scale. For one thing, we desire to see Federal buildings in the cities and towns of the United States located in accordance with the official city plans. Too often other considerations have dictated a choice of locality.

The education and health activities of the Federal government would certainly not suffer through association with each other and with the groups suggested, in the Department of the Interior.

Another proposed shift demanding consideration is the placing of The National Capital Park and Planning Commission under the Department of the Interior. This commission was first a park-purchase body and was later reorganized into a park and planning commission. In any readjustment, the park-purchase features might, perhaps, be assigned to some coordinating purchasing agency. But the present plan-

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## Shifting Bureaus

Continued from page 57

ning, platting, and highway location activities of the commission seem to be essential to comprehensive planning. The commission, which serves without compensation, is a regional as well as a city planning body. Four of its members are appointed by the President of the United States; two of its *ex officio* members are appointed by the President, three by secretaries in the Cabinet, and two are members of Congress who serve *ex officio* as committee chairmen.

The independence of the commission is essential to its effectiveness. Whether it should be maintained independently, covering the region in and around Washington, or should be assigned to the Department of the Interior, depends on whether it is clothed with power to advise in national planning matters involving the Federal government more definitely than at present. If the direction of land use and public works is to be given to a bureau in the Department of the Interior, such a planning body might well perform a useful function. However, if this should come about, the appointment of the members by the President of the United States, the independence of the commission in the selection of its staff, as well as the broad powers conferred upon it under its organic act, should be safeguarded.

The National Commission of Fine Arts might also be transferred to the Department of the Interior under the same conditions. This body was created in President Taft's administration in 1910 and is by custom composed of architects, landscape architects, painters, and sculptors. It gives critical advice on the designs of public buildings, monuments and other public works.

The placing of the custody and care of Federal buildings and grounds in the Department of the Interior raises the question as to what should be done with the public parks of the National Capital, which are now administered by the Office of Public Buildings and Public Parks. There are those who advocate placing the parks of the Federal City and the regional parkways along the Potomac River under the direction of the National Park Service. Others favor placing the parks of the District under the District Commissioners. It may be recalled that the present federal office was set up to correct a deplorable condition which existed when the totally inadequate parks were left to the District government.

The Federal City, conceived and built upon a scale to serve the nation, needs a far more extensive park system than a purely local city of similar size. Why not, then, frankly recognize the Federal responsibility for an extensive city and regional park system by retaining the administration as well as the decision for purchase of parks in an agency of the Federal government?

Thus, the Interior Department might realize the expectations of its creators of 1849 that it become the Home department of the Federal government.

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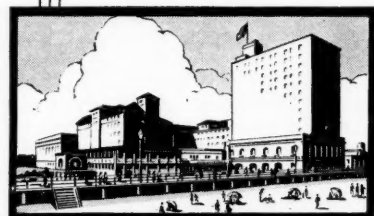
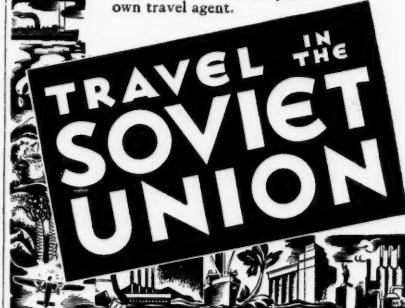
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## The March of Events

Continued from page 41

ANOTHER of his campaign promises is on the road to fulfillment as President Roosevelt sends Congress a special message dealing with the sale of securities (March 29). Designed to protect the investor, the accompanying bill for which he asks approval requires that new securities be registered with the Federal Trade Commission. Full and honest advertising of such securities is imposed on their sponsors.

It is definitely indicated that the world's central banks consider the United States on the gold standard, in spite of gold restrictions, when the Bank for International Settlements at Basle, Switzerland, resumes normal trading in dollars (April 10). This bank is permitted to deal only in the currencies of countries on the gold standard, and had suspended handling the dollar at the time of the March banking crisis in the United States.

### Other Nations

Hitler as dictator . . . England and Russia . . . Revolt in Uruguay.

**A**DOLF HITLER becomes virtual dictator of Germany's domestic and foreign affairs (March 23). This occurs when the Reichstag passes an enabling act handing all governmental functions—except financial—to the Cabinet for four years and then brings its two-day session to an indefinite adjournment. Chancellor Hitler publicly affirms Germany's intention to remain disarmed if other nations show a willingness to decrease their forces; and he scouts rumors of a return to the monarchy.

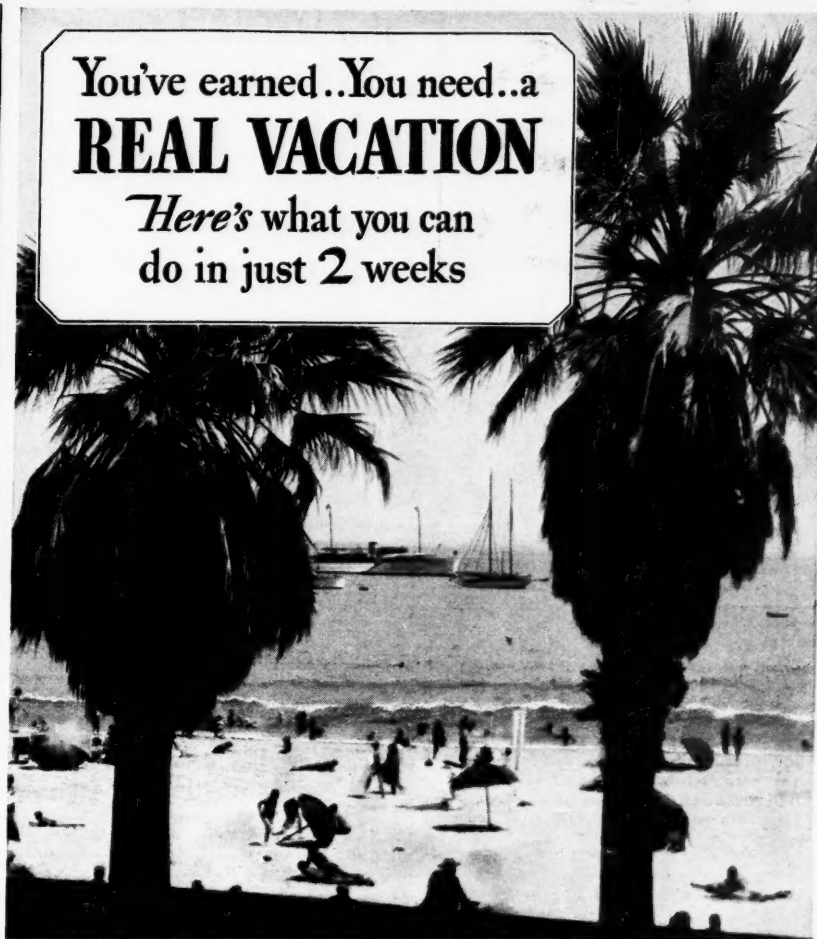
ENGLAND recalls (March 30) her ambassador to Russia, Sir Esmond Ovey. The action follows friction between London and Moscow growing out of Russia's arrest of six English engineers on charges of sabotage.

URUGUAY's President Gabriel Terra dissolves the Congress and the National Administrative Council and assumes dictatorial powers (March 31). A threatened popular uprising because of President Terra's wish to abolish the Council is believed responsible. Under Uruguay's liberal constitution of 1919, many public monopolies and the nation's social insurance are administered by the Council.

GERMANY, under orders of the Nazi government, stages a one-day anti-Jewish demonstration (April 1). All Jewish stores are picketed by Nazis, but the process is reputedly orderly. Government officials say that the boycott is to persuade the outside world that it must "recant its anti-German agitation". Demonstrations against the Hitler government, especially that held in New York (March 29), had irritated the Nazis. Secretary of State Hull, replying to questions as to the position of Jews

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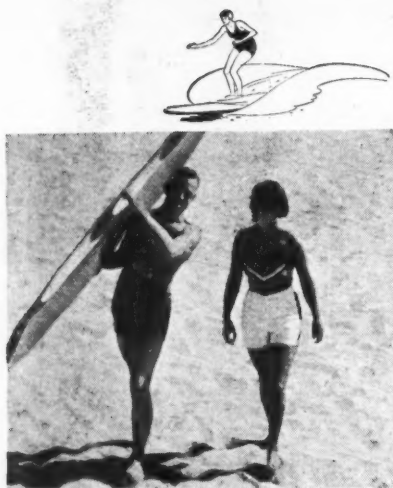
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## The March of Events

Continued from page 59

in Germany, had said that his information was that their persecution was "virtually terminated" (March 26).

### Appointments

Administration aides abroad and at home.

**T**HE SENATE confirms (March 16) two Presidential appointments: As United States Ambassador to France, Jesse Isidor Straus, New York merchant, prominent member of the Democratic party, and student of international affairs. As Ambassador to Mexico, Josephus Daniels of North Carolina, Secretary of the Navy during the Wilson administration, editor and publisher.

ROBERT WORTH BINGHAM is given Senate approval as Ambassador to Great Britain (March 22). Member of the Kentucky bar; resident of Louisville; newspaper publisher.

MAJOR A. V. DALRYMPLE of California is appointed to succeed Colonel Amos W. W. Woodcock as director of the Bureau of Prohibition, a post he had occupied since 1930 (March 31).

As AMBASSADOR to Spain, the President appoints Claude G. Bowers, research historian, editorial writer, author, and active Democrat (April 3).

FRANK MURPHY, Mayor of Detroit since 1930, is named as Governor General of the Philippines (April 7).

### International Consultations

Disarmament plans... Japan and the League... Talks in Washington.

**P**RIME MINISTER MACDONALD injects new life into the Geneva Disarmament Conference by offering a British plan (March 16) aimed at achieving European equality and at the same time a reduction of approximately a million armed men. Naval, land, and air forces are to be limited, and France and Italy are asked to come within the London naval agreements of 1930. The plan is to remain in force for five years, at the end of which time a second disarmament conference would be called. Ten days later (March 27) the Geneva conferees recess for one month.

ROME conversations between Premier Mussolini and Prime Minister MacDONALD result in the suggestion for a political union of France, England, Germany, and Italy in an attempt to further disarmament and ensure European peace (March 20). Pledging themselves to act within the framework of the League, the four would attempt to secure revision of the war treaties as a means of lessening international friction.

JAPAN notifies the League of Nations (March 27) that "irreconcilable" difference of opinion in regard to the Man-



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churian situation make it necessary for her to leave Geneva. (See page 30.)

THE WORLD COURT rules (April 5) that the eastern coast of Greenland belongs to Denmark. Denmark had submitted the case in July, 1931, three days after Norway had occupied the territory and claimed it. The decision is based on the Kiel treaty of 1814 in which Denmark ceded Norway to Sweden, with the exception of Greenland and several smaller islands. The disputed region is largely uninhabited, but considered valuable as a possible source of coal and petroleum and as a future base for airplanes.

EXPLORATORY conversations in Washington in regard to the World Economic Conference will cover silver, wheat, copper, tariffs, and currency, President Roosevelt announces (April 10). Eleven nations have accepted his invitation to have spokesmen present in late April and early May, and other countries have indicated that they would like to be included in the conversations. England will be represented by Prime Minister MacDonald; France is going to send former Premier Herriot; and Italy, Germany, Japan, Argentine, Brazil, Chile, China, Canada, and Mexico will be represented.

## Obituary

JEFFERSON DE ANGELIS, 73. Famed actor and comic opera star at the turn of the century. Appeared in "The Wedding Day"—(March 20).

CHRISTIAN CHANNING GROSS, 37. Soldier, author, diplomat. Recipient of United States Distinguished Service Cross, English Military Cross, French Croix de Guerre. Former Secretary of American Embassy in Paris—(March 26).

THOMAS BUGARD PATON, 71. Trained for the law, had for the past twenty-five years been general counsel of the American Bankers Association. Author and advocate of many federal and state banking laws—(March 28).

REAR ADMIRAL WILLIAM A. MOFFETT, chief of the navy's Bureau of Aeronautics; and Commander Frank C. McCord, captain of the dirigible Akron. Killed when the Akron, in the midst of a storm, crashes into the ocean off Barnegat, New Jersey, carrying seventy-three of her seventy-six officers and men to their death—(April 4).

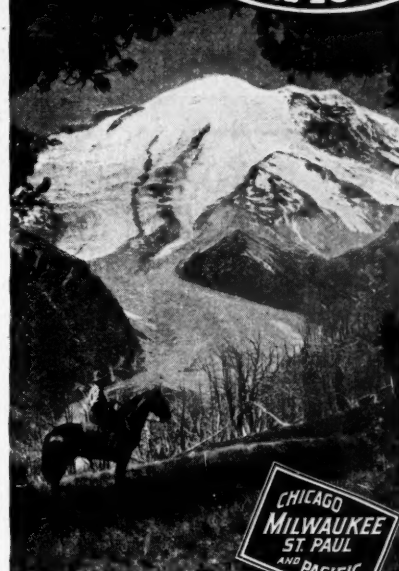
EARL DERR BIGGERS, 48. Author and playwright. Wrote "Seven Keys to Baldpate". Creator of Charlie Chan detective stories—(April 5).

HERBERT NATHAN STRAUS, 51. Vice-president of R. H. Macy & Co., New York. Philanthropist, active Republican—(April 6).

DR. HENRY VAN DYKE, 80. Poet, essayist, Presbyterian minister, prominent educator. American Minister to the Netherlands during the difficult period of American neutrality—(April 10).



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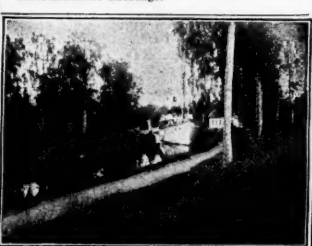
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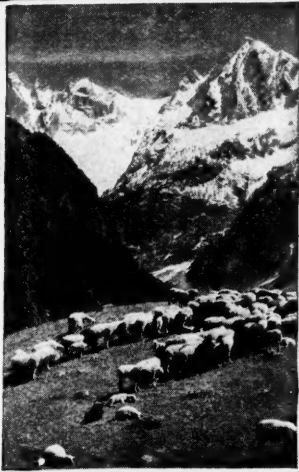
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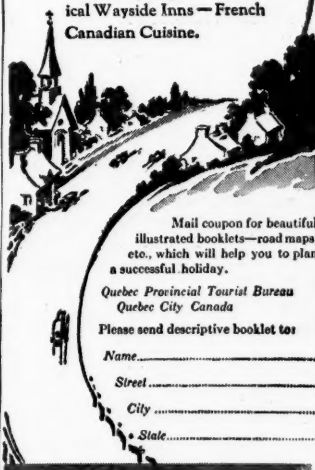
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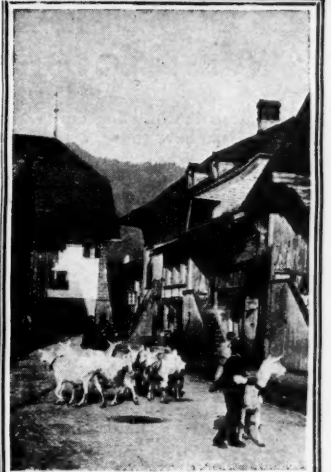
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## Our Authors

JENNINGS C. WISE, who writes on the stabilization of rail securities, dates his railroad association to service as a special member of the War Department Claims Board. In this capacity he helped settle post-war claims between the War Department and the nation's railroads. A native of Virginia, Mr. Wise received his law degree from the University of Virginia in 1909, and immediately started practice in Richmond. During the World War he participated in the offensives at St. Mihiel and Meuse-Argonne. Twice he was awarded the Distinguished Service Cross "for extraordinary heroism in battle, retaining command though wounded." Distinguished also as an attorney, Mr. Wise became special counsel for the United States on the Mixed Claims Commission after the War, working on claims between the United States and Germany. In 1930 he was appointed special assistant to Attorney General William D. Mitchell.

• • JOSEPH STAGG LAWRENCE follows up his article on "Canada's Banking Strength", which appeared last month, by describing in this number "The Failure of State Banking". We hope that he will be a frequent contributor to this magazine in the months to come.

Mr. Lawrence began in March the publication of his own magazine, a weekly business digest which he calls *The Econostat*, coined from the words "economist" and "statistician".

*The Econostat*, as we have seen its first few issues, is destined to delight the man who wants to know. There are articles, and editorials, and analyses; but back of all these are comparative tables and charts in profusion. Each issue contains the interpreted financial statement of one or more of our giant corporations. We welcome his new periodical to our own reading table.

• • ALLEN DIEHL ALBERT is assistant to the president of Chicago's Century of Progress Exposition, and the director of its Department of Plan and Program. He studied law in Washington, D. C., but later became a reporter on Washington and New York papers and acted as correspondent in the Spanish-American War. For several years prior to 1910 he was chief editorial writer for the *Washington Times*. From that position he went to Columbus, Ohio, as publisher of the *News*; and between 1912 and 1916 he edited the *Minneapolis Tribune*. His interest then shifted to the field of public utilities, which work took him to Florida. For the last decade and a half he has made a study of city development and is considered an authority on municipal growth and planning.

• • FREDERICK E. MURPHY has a thorough understanding of the agricultural situation and the problems of the farmer. In addition to his work as publisher of the *Minneapolis Tribune*, he carries on widespread farm activities of his own in Minnesota, including the breeding of purebred Holstein cattle and Percheron

horses. His article in our January issue on farm difficulties and suggested remedies attracted wide attention. This month he analyzes the Administration's bold efforts to bring agricultural prices to a level in keeping with the prices of other commodities.

• • SAMUEL McCUNE LINDSAY is known to some of our readers as a valued contributor of articles on eastern affairs. When semi-official agencies of the Japanese government invited a group of American journalists to visit the east in 1930, Dr. Lindsay went as a special representative of this magazine. At that time he made an extended tour of China, Korea, Manchuria, and Japan, and carried away definite impressions of conditions in the east. At the same time contact with Japanese statesmen gave him a sympathetic understanding of the problems and viewpoint of Japan. His opinions appeared in a series of articles in these pages in 1930 and 1931. Dr. Lindsay is professor of Social Legislation at Columbia University, New York City. In recent years he has had opportunity to spend a great deal of time at Geneva where he has been actively connected with the work of the League of Nations. Few persons, if any, are better qualified to discuss the significance of Japan's withdrawal from that body.

• • EDWIN OSGOOD GROVER occupies the chair of Professor of Books at the liberal and forward-looking Rollins College, Winter Park, Florida. For many years before he accepted that position in 1928, he had been closely associated with the publishing industry, both as an editor and author. In his present article he describes the third radical innovation in educational procedure which Rollins College is initiating.

• • JOHN J. TIGERT has devoted his entire career—of which we can mention only the highlights—to the cause of education. As the first Rhodes Scholar from Tennessee, he received his A.B. degree at Oxford University, England, in 1907. His M. A. followed eight years later; and since then he has been the recipient of numerous honorary degrees. At twenty-eight he was president of Kentucky Wesleyan College. From 1911 to 1921 he served the University of Kentucky, making philosophy and psychology his special fields. During this period there was a brief interlude for war service. In 1921 President Harding asked Dr. Tigert to become United States Commissioner of Education. In this capacity his chief task was supervising the country's care of the natives of Alaska, but concurrent activities gave him wide advisory functions in the educational work of the forty-eight states. In 1928 he was invited to assume the presidency of the University of Florida, at Gainesville, a position he still holds. In spite of his University responsibilities, he has found time to continue serving on innumerable national and state commissions concerned with education and good-citizenship.



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